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## Tracking Volunteer Time to Boost Your Bottom Line: A Complete Accounting Guide

A Magazine of the Nonprofits Insurance Alliance®  
by [Dennis Walsh CPA](https://blueavocado.org/?taxonomy=post-author&term=dennis-walsh-cpa) (<https://blueavocado.org/?taxonomy=post-author&term=dennis-walsh-cpa>) on  
March 11, 2009

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This article was updated on November 3, 2011.

*Tracking volunteer time: sounds like another chore? Actually it can help you meet match requirements, improve your financial statement presentations, and reduce liability. In this article, CPA Dennis Walsh of North Carolina explains why and how to include volunteer time in your budgets and*

*financials:*

An all-volunteer suicide hotline was having a hard time raising funds. Its total budget was \$45,000, which paid for a small office, telephone lines, and advertising. It asked for operating support, overhead and other funds in its fundraising proposals. Unfortunately, many foundations and donors are allergic to those terms.

But when the hotline added up the time its volunteers spent and teaching others, it was able to show that it used wages for similar services, this came to over \$140,000.

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## A lot of bang for the buck

As an accountant, I know that by portraying their group as a \$185,000 nonprofit, the hotline leaders showed the scope of what the organization contributes to the community and the tremendous support it gets. In this context, needing only \$45,000 to deliver this many hours of lifesaving support is a real bargain.

Unfortunately, much valuable information about volunteer time goes unrecorded and unreported. A hospice CFO told me that even though Medicare, a source of some of the hospice's income, requires volunteer time to be tracked, he had to dig back to his 2004 audit to find any reference to volunteer hours. He found that volunteers provided a remarkable 12 percent of direct patient hours. The hospice is missing an opportunity to strengthen its financial reports and show the extent of community participation in its activities.

## Why track volunteer time?

1. We volunteers appreciate appreciation. We count what we value, so tracking is recognition that volunteer time is important. Recognition is a good investment; it pays off spectacularly.
2. Funders and donors want to know what resources your nonprofit already receives and from whom. "Our funders see volunteer inputs as a measure of effectiveness," says Donna Newton, director of the [Guilford Nonprofit Consortium](https://guilfordnonprofits.org/) (<https://guilfordnonprofits.org/>), a network of 140 community-based nonprofits in Guilford County, North Carolina. "Reporting volunteer contributions is essential in securing funding."
3. Funders, donors and the community want to know if you have the people in place to get the job done well. "This becomes a real problem when the nonprofit attempts to cost a program," according to Kevin Gray, a program officer with the [Weaver Foundation](https://weaverfoundation.com/) (<https://weaverfoundation.com/>) in Greensboro, North Carolina. "Too often volunteer inputs are not factored in properly, giving a false sense of the true cost."
4. Volunteer time can help you meet requirements for matching funds. Certain grants stipulate that the nonprofit must match a percentage of grant funds and that the value of volunteer time may qualify toward satisfaction of the match requirement.
5. Documenting volunteer time can help protect volunteers. Logging activity creates a record that may become important if volunteers are accused of misconduct. [Blue Avocado's members guide to nonprofit insurance](#) ([https://blueavocado.org/members-guide-nonprofit-insurance](#)) of the [Nonprofit Insurance](#)



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(<https://insurancefornonprofits.org/>) and ANI-RRG (<https://insurancefornonprofits.org/>), the country's leading policyholder-controlled insurers of nonprofits, shared this real life example:

While enjoying hors d'oeuvres at a special event, a guest was injured from slipping on a piece of cheese. The nonprofit had a safety policy that required volunteers to scan for such dangers, record arrival and departure times and the times they did safety reviews. "From this it was easy to show that the nonprofit was not liable for failing to maintain a safe environment," Pamela said. "It had taken very appropriate steps and was completely absolved of liability."

### Can we include volunteer service in our financial statements?

Yes. You can certainly include them as notes to internal statements, for internal budgets and for many financial reports. But to include volunteer service in compilations, reviews and audits prepared by a certified public accountant, you must follow generally accepted accounting principles (GAAP) (<https://en.wikipedia.org/wiki/GAAP>). GAAP specifies rules for two situations. (See *Statement of Financial Accounting Standards [SFAS] NO. 116* (<http://www.fasb.org/pdf/fas116.pdf>), recently redesignated as ASC Section 958-605-25-16 as part of the accounting standards codification)



The first situation that qualifies volunteer time for inclusion in external (audited or compiled) financial statements: the volunteer time creates or improves a nonfinancial asset, that is, property other than money or investments such as stocks. A common example is the construction of a facility with a volunteer workforce, regardless of whether skilled or unskilled labor is involved.

The second situation: Volunteer contributions must be recognized if they:

- require special skills
- are performed by persons possessing such skills
- would typically need to be purchased if not provided by donation

Among such services, according to SFAS 116, are those of "accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers, and other professionals and craftsmen."

### What financial value to give to volunteer time?

For volunteer service involving specialized skills, it is customary to charge. For example, if you bring in a contractor to build a new building, you would typically pay for the services.

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be the appropriate hourly rate for valuing a pro bono session.

In some situations you will be able to obtain this information from the pro bono donor or from a similar business. In other instances you may need to estimate. Resources such as the [Bureau of Labor Statistics \(BLS\)](https://www.bls.gov/oes/current/oes_nat.htm) ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)) website can help.

In the case of services that do not involve specialized skills, including much of the volunteer help nonprofits receive with program activities, office tasks, or special events, a composite hourly rate may be a reasonable indicator for estimating the value of services reported in annual reports, newsletters, and grant proposals. The nonprofit association [Independent Sector](https://independentsector.org/) (<https://independentsector.org/>) provides national and state [rates](https://independentsector.org/programs/research/volunteer_time.html) ([https://independentsector.org/programs/research/volunteer\\_time.html](https://independentsector.org/programs/research/volunteer_time.html)), updated annually from BLS data. The most recent national figure is \$20.85, which includes a 12 percent estimate for fringe benefit costs.

The following examples help illustrate these rules:

- Sandra, a real estate attorney with a \$300/hour billing rate, *donated legal services by representing you in the purchase of land* for a new office. Since these legal services are of a specific and substantive nature, they are required to be included in the financial statements, valued at \$300/hour.
- On the other hand, in her *role as a board member*, Sandra provides routine guidance on legal issues of a general nature. Because such legal advice would probably not have been purchased if Sandra were not available, they cannot be recognized in the financial statements.
- Sandra *donated eight hours helping paint your new office building*. Because her services help create or enhance a nonfinancial asset, the value is required to be recognized even though this does not involve a specialized skill.
- Sandra also *donates five hours per week delivering meals* to program recipients. Although such service would typically have to be purchased in the absence of volunteers, it does not meet the specialized skills requirement and cannot be included in the audit financial statements. However, this donation can be reported as supplemental information in the financial statement footnotes.

## How can we easily document volunteer time?

One of the best ways to ensure that volunteer effort is properly documented is to have a system in place to capture service at the time it is performed. By doing so you

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reports, lessen the likelihood that volunteer effort falls through the cracks unnoticed, and help identify and objectively rank volunteer service deserving of special recognition. In addition, you may be better able to budget paid staffing and service outsourcing needs with the aid of such summarized information.

Here's a sample [volunteer tracking form](http://bluea.wpengine.com/wp-content/uploads/attachments/Vol%20tracking%20form%20blank.pdf) (<http://bluea.wpengine.com/wp-content/uploads/attachments/Vol%20tracking%20form%20blank.pdf>) covering a one-month period, adapted from the former North Carolina Office of State Auditor/Nonprofits. Here's an [alternative time log](http://bluea.wpengine.com/wp-content/uploads/attachments/Volunteer%20Time%20Log.pdf) (<http://bluea.wpengine.com/wp-content/uploads/attachments/Volunteer%20Time%20Log.pdf>) from [Mig Murphy Sistrom](http://nonprofitcpa.net/) (<http://nonprofitcpa.net/>), a nonprofit accounting consultant in Durham, North Carolina. Useful when volunteers donate time to more than one activity, it covers a one-week period.

### So what does this look like in the financial statements?

Hometown Hospice Care (name changed) is a community nonprofit providing services regardless of patient ability to pay. The attached [financial statements excerpts here](/content/volunteer-time-financial-statement-illustrations) (</content/volunteer-time-financial-statement-illustrations>) illustrate the improved reporting of the agency's activities by including qualifying volunteer services in its Statement of Activities, and in addition, non-qualifying services in the footnotes. As you can see, the improved statements show the full scope of the organization's donations and its contributions to the community, and increase the percentage of expenses that are for program (rather than for management or fundraising).

### Can volunteers deduct their time from their taxes?

No. But while your volunteers cannot take a tax deduction for the value of their time, be sure to inform them that out-of-pocket, documented expenses may be deductible on their individual tax returns. Volunteers may deduct the direct costs of operating their vehicles or the [standard charitable mileage rate](/content/gas-rates-volunteers-and-justice-reader-oped) (</content/gas-rates-volunteers-and-justice-reader-oped>) of 14 cents per mile as well as some other expenses. Volunteers should consult their tax advisor or refer to [IRS Publication 526, Charitable Contributions](https://www.irs.gov/publications/p526) (<https://www.irs.gov/publications/p526>).

What would our nonprofit sector look like without dedicated volunteers? Many community-based nonprofits would soon disappear in a vacuum of human capital. Don't let this force go unrecognized!

See also:

[Gas Rates, Volunteers, and Justice: Reader Op-Ed](#) ([oped](#)).

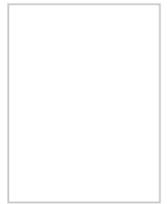
[New Thinking and Talking About Volunteers](#) ([cont](#)

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21509)

*Dennis Walsh, a certified public accountant who lives in Jamestown, North Carolina, is the author of Legal and Tax Issues for North Carolina Nonprofits. Through the Deborah and Dennis Walsh Foundation (<http://walshfdn.org/>), he provides volunteer technical assistance to help empower community nonprofits. He can be reached at [drwalsh@triad.rr.com](mailto:drwalsh@triad.rr.com).*



*We are pleased that a version of this article is being simultaneously published by Philanthropy Journal (<https://philanthropyjournal.org/>), an online publication with national and international news on fundraising, giving and more.*

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## Comments

Rhianna Hawk (<http://www.thesignupplace.com/>) says  
 September 27, 2018 at 12:42 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-6641>).

My workplace likes to invite employees to volunteer on projects every now and again, and being able to track that would be great. I'm planning to talk to my boss about setting up an online volunteer coordinating sheet so that we can better keep track of things, and you make a great argument for that in saying that it can be used both to defend nonprofit we volunteer for from legal allegations, should they arise. Being able to include the hours in the company's tax deductions would be great as well.

Reply.

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Steve Sherrill says  
 July 28, 2017 at 6:44 pm (<https://blueavc>

[volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5896](#)).

For volunteer tracking, check out [goldenvolunteer.com](http://goldenvolunteer.com). Full disclosure, I'm the COO but we've created a volunteer recruitment and management platform that eliminates data entry and creates seamless analytics tools to fully track and manage volunteers. Not only do we automated volunteer registration and check-ins, but we also track hours and translate that into \$\$ values. We also provide full background check services.

Shoot me an email at [steve@goldenvolunteer.com](mailto:steve@goldenvolunteer.com) (<mailto:steve@goldenvolunteer.com>) if you have any questions. Our goal is to free up as much administrative time and overhead as possible so that you can drive your organization's mission forward.

Steve

[Reply](#).

Anonymous says

January 22, 2014 at 9:33 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5056>).

I love to come back to <http://www.blueavocado.org> (<http://www.blueavocado.org>) everyday.

[Reply](#).

blclakeside says

November 27, 2013 at 3:14 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5020>).

Thank you for the post. I am in the process of forming a non profit and found the information very helpful.

[Reply](#).

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noname says

October 22, 2013 at 7:16 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/>)

October 23, 2013 at 7:16 pm (https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4944).

Very interesting and helpful article. My nonprofit just started tracking volunteer time and was surprised at how much it contributed to our work. Do you know if the IRS will allow you to report the value of volunteer time as public support/contributions on the 990, schedule A?

Reply.

noname says

September 25, 2013 at 12:07 pm (https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4891).

If your claiming volunteer work as an asset you probably should treat volunteer workers like any other employee. Orientation, expectations (e.g. stealing good isn't allowed, even if the manager tells you to as compensation), term (e.g. 8 month contract with 2 yrs off opportunity for others, etc.).

Once these volunteer workers reach board level, and they all will, the organization must be responsible – beyond word of mouth.

Volunteer workers are usually good for everybody.

Reply.

noname says

February 20, 2013 at 8:46 am (https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4562).

Thank You for providing the information on volunteer program.

Reply.

noname says

January 5, 2013 at 12:46 pm (https://blue  
management/tracking-volunteer-time-t

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[management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4465](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4465)).

i used the [gas cost calculator \(http://www.truckersmath.com/calculate.php?action=calculate\\_gascost\)](http://www.truckersmath.com/calculate.php?action=calculate_gascost) to check the free truck rate and it gave me the exact rate details.so you guys can check it.

[Reply](#).

noname says

[December 27, 2012 at 7:57 am \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4462\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4462).

i used the [truck rate calculator \(https://www.truckersmath.com/trucking\\_software/index.php?p=truckratecalculator&action=input\)](https://www.truckersmath.com/trucking_software/index.php?p=truckratecalculator&action=input) to check the free truck rate and it gave me the exact rate details.so you guys can check it.

[Reply](#).

noname says

[December 21, 2012 at 7:13 am \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4459\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4459).

i used the [fuel cost calculator \(http://www.truckersmath.com/calculate.php?action=calculate\\_fuelcost\)](http://www.truckersmath.com/calculate.php?action=calculate_fuelcost) to check the free truck rate and it gave me the exact rate details.so you guys can check it..

[Reply](#).

Anonymous says

[September 28, 2012 at 5:33 pm \(https://management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4287\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4287).

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hello!! Very interesting discussion glad that I came across such informative post. Keep up the good work friend. Glad to be part of your net community.

Reply.

Anonymous says

June 4, 2012 at 4:21 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4113>).

Interesting post. It's really too bad that volunteers can't deduct for the value of their time up here in Canada. Good, kind-hearted people who give up their time get little to no recognition from the Gov't while the rich make themselves "look good" and get huge tax deductions by giving away money they have no use for. Oh well. I guess being able to deduct expenses is something. – Grace  
<http://www.physicaltherapistsalarydata.net> (<http://www.physicaltherapistsalarydata.net>)

Reply.

noname says

May 4, 2012 at 3:05 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-4097>).

Are there any formal policies or protocols for inclusion of travel time folded into or counted as volunteer time? Differentiating volunteer time including travel to/from the organization to volunteer on-site or sign-in vs. travel to/from tasks off-site for the organization (delivering goods, meals, people, serving families, attending meetings, etc.) vs. travel to/from training and other mandatory/non-mandatory events for the organization?

Reply.

noname says

March 20, 2012 at 4:09 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-3974>).

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Interesting info – But while your volunteers cannot take a tax deduction for the value of their time, be sure to inform them that out-of-pocket, documented expenses may be deductible on their individual tax returns. – didn't know that, thanks will make good use of your input 😊

Jill

<http://www.physicianassistantprerequisites.net> (<http://www.physicianassistantprerequisites.net>)

[Reply](#).

Anonymous says

November 5, 2011 at 3:57 am (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-3693>).

Great article. Volunteers should be recognized and be appreciated because they render services without any remuneration. Kudos to Dennis Walsh for providing the accounting guide –

[Reply](#).

noname says

September 9, 2011 at 4:57 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-3495>).

I have an individual who received a Ed & Culture Grant to work on an important project in S. America... it is part of a long-standing PoA and Chapter Project. In completing his Travel Report, it asks to include Volunteer Hours for which he was not compensated. This individual was allowed to make the required 10 day visit to the country on “company time” and thus was “compensated” to a degree. But the time spent on this project took away from his work activities at his home base and it was a project of high value to the Chapter and PoA. He also spend many evenings at home preparing for this project...some parts of which he had to completed “at work” owing to the interaction of the project and his work. Can he not record the 8 hours/day he spent for the 8 days he was actually working on the project (not including weekend which was not a “work time”). I believe this is an important question as it shows the

value of the Ed-Culture Program and a broad comr  
, his employer was not required to give him “time”  
him and his employer to the Chapter and to PoA. I

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Reply

noname says

July 21, 2011 at 9:53 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-3305>).

As a start-up AVO organization where the board functions also as the staff, we do everything from clean buildings to social media to writing proposals and grants. We haven't been tracking but will now. We hope this info will help us in pursuit of funding, hopefully all of our volunteer hours and time spent will be helpful in more ways than one.

Reply

noname says

May 18, 2011 at 8:03 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-2948>).

Thanks for the great article, Dennis. Another option for tracking volunteer hours online is with OurVolts, which was built for the exact reason you stated – volunteers need to be appreciated, and recognition encourages volunteers to stay motivated. Check out <http://www.ourvolts.com> (<http://www.ourvolts.com>) for more info and sign up for a free basic plan!

Reply

jeromero says

October 8, 2010 at 1:47 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-2339>).

We are a non-for profit youth sports association ar activities, this article certainly clarifies some of the however we also rely on sponsorship monies to fu is considering to pay commission as a % of sponsc

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tax implications, to the association? to the “volunteer”?

Thank you

Juan

[Reply](#)

Anonymous says

February 3, 2010 at 7:24 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1447>).

Can you please give me clarity on the way that paid staff can record time volunteered.

Thank you

Carmel Somers

Valley Family Center

[Reply](#)

noname says

May 18, 2011 at 8:05 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-2949>).

You could try using OurVolts, which is an online time tracking tool for nonprofits, grassroots organizations, etc. <http://www.ourvolts.com> (<http://www.ourvolts.com>).

[Reply](#)

Anonymous says

January 13, 2010 at 5:40 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1402>).

Good article. I'm a volunteer preparing a grant application for our volunteer troupe of seniors. For two previous seasons we have tracked the value of volunteer service for actors, directors and crew members. I am in the office of my NC State Representative in Raleigh.

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link, the Raleigh office has not responded and I have a submission deadline of 5:00 pm Fri, Jan 15.

Help!!

Roger

Outreach Coordinator

The Autumn Players

Asheville NC

Reply.

Anonymous says

December 26, 2009 at 10:08 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1298>).

Thanks so much for the fantastic article. Its really helping our organization shape our policies regarding this. There's just one question that I have left regarding budgets in grant proposals.

Is the valuation of the unskilled volunteer time counted in the budget, or does it have to be a footnote like it is in the financial report template that you gave? Do you (or any of the readers) have a template that shows how such a proposal would look like?

Thanks again!

Greg Freedman

<http://www.globemed.org> (http://www.globemed.org);

Reply.

coop says

November 20, 2009 at 6:44 am (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1246>).

Great article, but I'm still not sure about counting Board time as inkind volunteer time in either grant proposals or organizational budgets. Uusually, members of a nonprofit Board put in hundreds of hours of volunteer time annually, which would really swir

values. I've never worked with or for an organizatio  
time put in by non-Board volunteers.

So, does Board time count...or not?

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Reply

Anonymous says

August 7, 2009 at 7:25 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-910>).

This article has helped my organization tremendously. For years, we have known the contributions of our volunteers were significant – they are the backbone of our cornerstone program – but were unable to find any clear, written guidelines or thoughts from which to base our approach to giving that time financial value within our budgets. This article has helped the board and staff discuss the issue and we are moving forward with a strategy to include volunteer time in our budgets. Also, we have sought out reactions from our foundation funders by giving them a preview of a budget that includes volunteer time to find out how they would receive it. The response – overwhelmingly positive. Funders want to know the true cost of doing business and how our organization leverages a range of resources to get the job done. Next month, the board will be approving a modified annual budget that includes a financial value on volunteer time. Thank you!

Aspen Baker

Executive Director

Exhale

<http://www.4exhale.org> (http://www.4exhale.org);

Reply

dennis-walsh says

August 7, 2009 at 11:14 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-913>).

Thank you Aspen. Your comment says it all.

Dennis Walsh

Reply

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Anonymous says

December 2, 2009 at 2:16 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-913>).

[December 2, 2009 at 5:16 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1259\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1259)

Dennis,

Great stuff. Question regarding SFAS 116.

I'm prepping for our 1st year-end and am reading up on SFAS 116/117 in Wiley's Not-for-profit GAAP 2009 text book.

Re: whether a volunteer service can be recognized in the statement of activity, they seem to allude to fact that another condition is whether the org has capacity to pay for a service in the absence of it being donated (e.g. John Doe, a professional copy writer, contributed hours to create press releases for us. Because we are so tight on funds, if he wouldn't have been available we would have likely done it on our own as we could not afford to pay someone for this service). If I am interpreting the text correctly, they seem to say that I could NOT include this in financials as we do not have capacity to pay and thus could not have hired someone to do it.

Your thoughts/guidance are greatly appreciated – thanks

Reply

Anonymous says

[December 17, 2009 at 12:24 am \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1278\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-1278)

northwest,

Good question.

Capacity or "ability to pay" for a service is not one of the criteria. In other words you can justify recording the value of the service, even if the entity could not afford to pay for the services.

The issue is whether the services are an important (or essential) part of the organization's program and "would be purchased", if not provided by volunteers. If you would have had staff do the work internally, then effectively you would be paying for the services. The

volunteer copy writer allowed you to do services.

Adam P. Cohen, CPA

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Reply

Anonymous says

June 19, 2009 at 11:00 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-819>).

OrgSync – a 2.0 communication, collaboration and administration hosted solution originally developed for the Higher Education Market is now available for non-profits and faith-based organizations.

The solution allows individuals and the overseeing "volunteer manager" to enter, approve and measure volunteer time, course completion, and much more.

To receive a web-demonstration visit <http://www.orgsync.com> (<http://www.orgsync.com>) or contact: Greg Troxell

WIA – <http://www.worldwideinterfaith.org> (<http://www.worldwideinterfaith.org>).

408-540-6223

[gtroxell@worldwideinterfaith.org](mailto:gtroxell@worldwideinterfaith.org) (<mailto:gtroxell@worldwideinterfaith.org>).

Reply

noname says

September 28, 2010 at 3:26 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-2294>).

Wondering why this bit of self-promotion is allowed to stand.

Reply

jan-masaoka says

September 28, 2010 at 5:00 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-2295>).

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If someone promotes a legitimate product or service that's related to the article or thread, we allow it . . . but thanks for asking!

Reply.

Anonymous says

June 17, 2009 at 2:01 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-800>)

I am always amazed that volunteer time for non-specialized duties is valued with no regard to average salaries in various locations, and at a much higher rate (19.51) than the salaries of any of my staff members!

Reply.

dennis-walsh says

July 2, 2009 at 10:43 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-836>)

Some of the other comments also point to the shortcomings of employing an average wage value, such as the rates supplied by the Independent Sector, in lieu of more specific wage data that reflect the nature of the particular service and the locality. The Bureau of Labor Statistics data from which the Independent Sector derives its average is drawn from 22 occupational categories ranging from unskilled to professional occupations. But while many organizations opt for the convenience and objectivity afforded by this national average, the nonprofit is free to select the source that best reflects fair value for the services performed. And if the services qualify for financial statement inclusion, under the accounting rules the organization has a duty to make this assessment. Hopefully the article illustrates some approaches for accomplishing this objective.

Reply.

noname says

September 28, 2010 at 3:24 pm (<http://management/tracking-volunteer-tin-accounting-guide/#comment-2293>)

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The horrible truth is that volunteers are often more highly valued than staff, and that fact has increased exponentially in recent years.

Reply

noname says

September 30, 2010 at 5:33 am (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-2301>)

Yes, I know....it's been that way for a while...the voluntary equivalency rate is like \$22+ this year, I think...thanks for the comment!

Reply

Anonymous says

March 29, 2009 at 3:58 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-590>)

Great article! I'd like to recommend two other resources:

Calculating The Economic Impact Of Volunteers. The Economic Impact Of Volunteers Calculator created by the Points of Light Foundation estimates the appropriate wage rate for volunteer time based on what the person does, the value of specific tasks according to market conditions as reported by the US Department of Labor. Organizations can use the Calculator to determine the value of the time their volunteers give doing a wide variety of volunteer jobs.

<http://www.pointsoflight.org/resources/research/calculator.cfm>  
(<http://www.pointsoflight.org/resources/research/calculator.cfm>)

Sample Volunteer Job Descriptions. The Community Services Council of Newfoundland and Labrador has created an excellent resource for the development of volunteer job descriptions. Go to:

<http://www.envision.ca/templates/resources.asp?ID=112>

(<http://www.envision.ca/templates/resources.asp?ID=112>) descriptions, go to: <http://www.envision.ca/voljobdesc> ([http://www.envision.ca/voljobdesc/description\\_form](http://www.envision.ca/voljobdesc/description_form)) there is an interactive template. To view your job d

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[http://www.envision.ca/voljobdesc/example\\_form.asp](http://www.envision.ca/voljobdesc/example_form.asp)  
([http://www.envision.ca/voljobdesc/example\\_form.asp](http://www.envision.ca/voljobdesc/example_form.asp)).

Frank Martinelli

The Center for Public Skills Training

<http://www.createthefuture.com>&#13 (<http://www.createthefuture.com>&#13);

Reply

Anonymous says

June 25, 2009 at 2:08 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-825>).

Anyone know what happened to Point of Light's calculator. I cannot find it at their website anymore

Reply

Anonymous says

July 21, 2009 at 5:20 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-863>).

I can't find it either and I use it every month for a mandatory report. Have you run across any others? I need one!!

Reply

dennis-walsh says

July 22, 2009 at 3:35 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-864>).

This appears to be a working link to the <http://archive.pointsoflight.org/resource>  
(<http://archive.pointsoflight.org/resource>

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Reply

Anonymous says

February 8, 2012 at 5:30 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-3906>).

The Community Services Council of Newfoundland and Labrador is now the Community Sector Council of Newfoundland and Labrador. Along with the name change, the website has undergone some changes as well. The information about volunteer job descriptions and templates can be found here: <http://communitysector.nl.ca/resource-centre/volunteer-management/volunteer-job-descriptions> (<http://communitysector.nl.ca/resource-centre/volunteer-management/volunteer-job-descriptions>). I hope the readers of Blue Avocado will find this information to be useful. This site has a wealth of useful articles and I look forward to reading more.

Reply

christopher-davenport says

March 22, 2009 at 11:22 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-583>).

Wow! First off, great article! Lots of good take aways. Thanks. Secondly, as far as “Boosting Your Bottom Line” with volunteers, here’s a link to a short video on how to help volunteers make the ask. The video features two women, Amy White and Meghan Wagner. Both are from the YMCA in Seattle. Here’s the link:

[http://www.501videos.com/mmpr/0309/help\\_volpr.html](http://www.501videos.com/mmpr/0309/help_volpr.html)  
([http://www.501videos.com/mmpr/0309/help\\_volpr.html](http://www.501videos.com/mmpr/0309/help_volpr.html)).

Christopher Davenport

Reply

karenaitchison says

March 18, 2009 at 9:42 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-576>).

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[accounting-guide/#comment-516](#)).

In response to Jan Masaoka's comment here that "so many of them (board members) are encouraged to think of themselves as something other than volunteers"— I truly believe that this is because for many, the word "volunteer" conjures up media-fed images of volunteers as envelope stuffers, fundraising Walk marchers, Celebrity soup-kitchen helpers... tasks that don't necessarily require a lot in the way of professional background or longterm commitment, as does that of a board member. Nonprofits don't consistently treat the class of people known as Volunteers especially well, either. But that's a whole 'nuther story.

[Reply](#)

Anonymous says

March 18, 2009 at 12:43 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-573>).

A lot of work was done on this in Canada by Jack Quarter, who happens to be a member of the research network of the National Center on Nonprofit Enterprise, Laurie Mook and B.J. Richmond for their 2003 book 'What Counts: Social Accounting for Nonprofits and Cooperatives.' There's a 2007 second edition of this, a Volunteer Value Added website and VolunteersCount online software. Go to: <http://home.oise.utoronto.ca/~volunteer/> (http://home.oise.utoronto.ca/~volunteer/);

Richard Brewster

<http://www.nationalcne.org/> (http://www.nationalcne.org/);

[Reply](#)

Anonymous says

March 17, 2009 at 8:40 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-567>).

We currently have a federal grant that requires a 1C our volunteer time. We value the volunteer time us valuing volunteer efforts just get ridiculous when y found far greater public acceptance of the value of

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I work with over 100 non-profit organizations and I have found that when Board members consider themselves volunteers (and are recognized as such) there is a far greater appreciation of volunteers throughout the organization. I'm going to send an email to all my partners urging them to read this article.

Susan Peacock Reehl, Program Director

WestArk RSVP (Retired and Senior Volunteer Program)

401 North 13th Street, Fort Smith, AR 72901

Office: 479-783-4155 Fax: 479-782-2269

<http://www.WestArkRSVP.org> (<http://www.WestArkRSVP.org>) [rsvp@ipa.net](mailto:rsvp@ipa.net) (<mailto:rsvp@ipa.net>)

Reply.

jan-masaoka says

[March 18, 2009 at 6:16 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-574\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-574)

These are great points, Susan, and thanks for posting them. I especially agree with the point that board members are volunteers, and it's odd that so many of them are encouraged to think of themselves as something other than volunteers. Thanks again for your comment! Jan

Reply.

Anonymous says

[March 17, 2009 at 6:37 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-565\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-565)

Thank you so much for this insightful article. We love our volunteers – they allow us to serve more people more deeply. It's good to know how to put their hard earned hours and our data tracking to good use with funders and our financial statements.

Lisa Miller

<http://www.wrchickory.org> (<http://www.wrchickory.org>)

Reply.

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Anonymous says

[March 16, 2009 at 2:54 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/)

[March 16, 2009 at 2:54 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-552\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-552)

I will be able to show our newly formed board the importance of tracking their volunteer hours. They are reluctant to do so at this time. They do not see the importance.

[Reply](#)

Maria Borja Stevens says

[January 24, 2017 at 2:19 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5766\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5766)

Can anyone use the sample forms to track and log volunteer time?

[maria@mesquiteworksnv.org \(mailto:maria@mesquiteworksnv.org\)](mailto:maria@mesquiteworksnv.org)

[Reply](#)

dottielechtenberg says

[January 24, 2017 at 7:31 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5769\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5769)

Yes, Maria, the sample forms are intended to be used as a template to create your own forms. Any forms developed from this sample should be reviewed by an attorney who knows the specific purpose for which the form may be used.

[Reply](#)

Anonymous says

[March 16, 2009 at 1:44 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-550\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-550)

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I am a little confused about Sandra's volunteer time accounting. Certainly she can be credited for \$150/hr when acting as a real estate attorney and nothing when giving advice while attending a board meeting as a member of the board. However, it seems to me, while volunteering her myriad of skills as a painter or as a food delivery driver (neither requiring the specialized skills of a real estate attorney) shouldn't her time be accounted for at the \$19.51/hr rate in both cases?

Larry

Reply

dennis-walsh says

March 16, 2009 at 4:29 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-558>)

Larry,

In the case of Sandra's painting services, since this adds to the value of a non-financial asset, the fair value of her time would indeed be included in the cost of the finished asset. Under the accounting rules this can be accomplished in either of two ways.

You can value her time based on one of the rates from the Independent Sector or from more specific occupational and regional wage data supplied by the Bureau of Labor Statistics, or any other reasonable and objective indicator of fair value. As Beth Gazley articulates below, the Independent Sector rates are based on very wide averages and are inherently imperfect, but can be a reasonable indicator in some situations. You need to choose a fair value measurement that is reasonable and best approximates the value of the contribution.

An alternate method authorized by SFAS No. 116 is to impute the fair value of volunteer effort contributed to the project in a single calculation by subtracting the out of pocket costs (e.g. materials, contract labor, etc.) from the finished fair value of the asset as determined by appraisal or a builder's estimate. The difference is recognized as donated services revenue and included in the cost of the finished asset.

As for Sandra's time delivering meals, since this requirement it cannot be recorded as revenue. However, this is important data that can be valued in the financial statement footnotes along with the

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GAAP. Again, the objective is to measure fair value of the contributed services and the Independent Sector national or state hourly rate may or may not be relevant.

Dennis Walsh

Reply

Anonymous says

March 16, 2009 at 1:03 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-549>)

Dennis – great synopsis of this topic and timely, as I was able to incorporate your article into my nonprofit HRM class. I see only one limitation in your piece: the Independent Sector's method for valuing volunteer time as an average non-agricultural wage is increasingly out-of-date. Its limitations (irrelevancy in some contexts) and the better alternatives should always be discussed.

There are more sophisticated and not terribly onerous "wage replacement" valuation methods (see for example the Karn method). Some organizations (Habitat for Humanity comes to mind) will also find it useful to invest in even more complicated methods for estimating and valuing the real impact that a volunteer has on an organization's bottom line (calculating not only the hours/inputs but also outputs of charitable gifts, program improvements and client outcomes).

Although the IS method was a great contribution in its time, there is no legal requirement to use it, and organizations now have a much wider range of choices.

Beth Gazley

Indiana University-Bloomington

Reply

Anonymous says

March 16, 2009 at 11:22 am (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-547>)

An interesting article.

I agree that it is important to be able to track volunteer time. A cautionary note is that it is a slippery slope if we are not careful. The value of one volunteer position is greater than

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are successfully fulfilling the tasks of their volunteer position are contributing 100% to the organization. It would be a shame to replicate the hierarchy of positions that are a part of the paid workforce when there is an opportunity to embrace equity, the rich experience and diverse skills that volunteers contribute to our organizations.

Deborah Gardner, Executive Director, Volunteer Toronto1 <http://www.volunteertoronto.ca>  
(<http://www.volunteertoronto.ca>).

Reply.

Anonymous says

November 11, 2013 at 5:17 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-5014>).

Very insightful. Thank you, Deborah. -Andrea Cody, Executive Director,  
<http://www.dancehouston.org> (<http://www.dancehouston.org>).

Reply.

Anonymous says

March 15, 2009 at 10:59 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-541>).

This is so timely. I have a presentation to our Board tomorrow night on this subject and this article helps to clarify what is meant in Standard #116.

Very well written and complete.

Reply.

Anonymous says

March 15, 2009 at 8:38 pm (<https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-539>).

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Thanks for this comprehensive summary of the advantages to tracking volunteer time. This article was of particular interest to me, since I'm the co-founder of [LiveTimer.com](http://www.syncd.com), an online time and expense tracking service (<http://www.syncd.com>). We've heard from many nonprofits who use our service to track both employee and volunteer time for some of the very reasons you've outlined.

LiveTimer is an automated, accurate and affordable alternative to tracking time in spreadsheets or paper logs. If anyone's interested, we offer a free 30 day trial, as well as a 50% discount to qualified nonprofits, which brings the cost of our service down to \$2.50 per user per month. We'd love to be able to help more nonprofits keep track of their time!

Dan Gebhardt

Co-Founder

[LiveTimer.com](http://www.syncd.com) (<http://www.syncd.com>).

[Reply](#)

Anonymous says

[March 15, 2009 at 7:35 pm \(https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-537\)](https://blueavocado.org/leadership-and-management/tracking-volunteer-time-to-boost-your-bottom-line-a-complete-accounting-guide/#comment-537).

Thanks! This article about volunteering and how to track and log and use has been very helpful.

Edie

<http://www.dramaworks.us> (<http://www.dramaworks.us>).

[Reply](#)

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