

# Employee or Volunteer?

The proper classification of team members at your nonprofit is essential to ensure compliance with labor laws and avoid financial penalties or legal claims.

To classify a team member as a volunteer, make sure **ALL** the following statements are true.

**True**

**False**

The entity that will benefit/receive services from the team member is a nonprofit organization.

The activity is less than a full time occupation.

The services are offered freely and without pressure or coercion.

The services are the kind typically associated with volunteer work.

No employees have been displaced to accommodate the volunteer.

The worker does not receive (or expect to receive) any financial benefit from your nonprofit.

If your answer is **FALSE** to any of the questions above, the worker should not be a volunteer and may be an employee subject to minimum wage requirements of the Fair Labor Standards Act.

## You might need legal advice...

If you cannot answer the above questions with the proper answers, speak to an attorney licensed in your state before classifying, hiring, or retaining volunteers! Proceeding without such help is a disservice to your mission and reputation.





# Tips to Honor the Distinction Between Employees and Volunteers

- ▶ Use a Volunteer Agreement to clarify the expectations of the volunteer role and clarify that no compensation of any kind will be provided.
- ▶ Use a Volunteer Handbook that is substantially different from your Employee Handbook.
- ▶ Never permit hourly employees to 'volunteer' time doing the same or similar work for which they are paid.
- ▶ Never coerce employees to volunteer.

**Remember the 'Rule of 3'** True volunteers are those who:

- 1.** Work toward public service, religious, or humanitarian objectives.
- 2.** Do not expect or receive compensation for services.
- 3.** Do not displace any employees.