SUMMARY OF IRS RULES REGARDING DEDUCTIBILITY OF OUT-OF-POCKET EXPENSES IN VOLUNTEERING

The most recent IRS Publication 526 summarizes the rules for deductible charitable contributions resulting from unreimbursed expenses related to charitable service:

> Though you can’t deduct the value of your services given to a qualified organization, you may be able to deduct some amounts you pay in giving services to a qualified organization. The amounts must be:

- Unreimbursed;
- Directly connected with the services;
- Expenses you had only because of the services you gave; and
- Not personal, living, or family expenses.

Note that philanthropic travel to allow for a visit to possible grant recipients or for research related to a Director’s role as a Board member may qualify as travel related to volunteer work. IRS Publication 526 describes which travel expenses are eligible for expense deductibility:

> Generally, you can claim a charitable contribution deduction for travel expenses necessarily incurred while you are away from home performing services for a charitable organization only if there is no significant element of personal pleasure, recreation, or vacation in the travel. This applies whether you pay the expenses directly or indirectly. You are paying the expenses indirectly if you make a payment to the charitable organization and the organization pays for your travel expenses.

The deduction for travel expenses won’t be denied simply because you enjoy providing services to the charitable organization. Even if you enjoy the trip, you can take a charitable contribution deduction for your travel expenses if you are on duty in a genuine and substantial sense throughout the trip. However, if you have only nominal duties, or if for significant parts of the trip you don’t have any duties, you can’t deduct your travel expenses.

Additional information regarding the IRS rules for deducting unreimbursed expenses can be found in the following article “The Do’s and Don’ts of Tax Deductions for Volunteers” as written by Joanne Fritz for The Balance Small Business website. A summary of several key points is included below.

> What You May Be Able to Deduct for Unreimbursed Expenses Directly Related to Your Volunteer Work - Be Sure to Keep All Receipts to Substantiate Your Expenses:

- Actual costs of gas and oil or a mileage deduction of 14 cents per mile (2019 rate) to and from where you volunteer. Parking fees and tolls can be deducted as well. Unlike for business-related automobile use, routine upkeep and maintenance costs are not deductible nor is any share of your car’s insurance. (Note: The charitable mileage rate is less than the business reimbursement rate of 58 cents per mile; the business mileage rate builds in the costs of gas, oil, depreciation, insurance, repairs, tires and all vehicle maintenance.)
- Travel expenses, including roundtrip airfare, public transportation costs such as subway, bus, or taxi fare from work or home to the place where volunteering takes place as well as lodging and meal expenses. If you attend a board meeting or conference in another city or state on behalf of a 501c3 nonprofit, you may be able to deduct airfare or other travel costs plus hotel expenses and meals if directly connected to your volunteer work.
- Out-of-pocket expenses. Small expenses such as the copying you did to get ready for a board meeting, supplies the homeless shelter asked you to bring with you, or the glue, paper, and scissors you furnished for your Sunday school class may be deductible if you have proper documentation to support your expenses.