

## Meeting Notes from Tautoko Network Meeting

April 2023

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### Reimbursement for Volunteers

Thank you to those who came along to today's Tautoko Support Network meeting on the subject of reimbursement. We were joined by Daryl from the Inland Revenue Department and, as always, there were some great examples shared - and clarification given.

There were a couple of terms mentioned that some of us hadn't come across before - *taxable koha*, and, *mileage allowance for electric vehicles*.

You can find the mileage allowances (including for use of electric vehicles) on the IRD [website](#), these are updated annually. While you are there, check out the charities/not-for-profit page which has information specific to the sector.

Regarding koha, it was noted that sometimes the word *koha* is used by charities/not for profits more broadly than '*gifting*'. An example of this could be when someone performs a service for your organisation and you offer a koha for the services. The amount of the koha may be more reflective of the cost of those services than simply a gesture of thanks. In that case, the IRD may consider that the koha is 'taxable' as it relates to *payment for services* (albeit likely at a discounted rate). Where that is the case, it is considered as income and is, therefore, taxable. In that case, if you wished, for example, to gift \$40, your records would show a gift of \$60 less tax .... so that amount received would be \$40.

Where volunteers work from home, it may be that your organisation has funding enabling cover of expenses around 'work from home' costs such as heating, data and phone use. In that case, a reasonable estimate of costs could be made. Reimbursement of *actual costs* or a *reasonable estimate* are non-taxable.

As always, Volunteering Canterbury encourages all organisations to have a 'volunteer expenses' budget and seek funding for volunteer expenses to enable such things as travel, parking to be considered for reimbursement.