

FOR IMMEDIATE RELEASE

## **Is Mileage Reimbursement Necessary?** ***Survey confirms that for volunteers, the need is greater than ever***

PASADENA, CA, Sept. 19 – It is expensive for volunteer drivers to contribute their time and also contribute the cost of their fuel in driving older adults to life-sustaining and life-enriching destinations and activities.

To assess impacts of mileage reimbursement on volunteers' willingness to serve those in need, the Beverly Foundation surveyed more than 112 volunteer driver programs, and found that "to reimburse or not to reimburse" is only the first question.

The Web-based survey was released on September 4, 2008, and within four days 53 programs in 24 states representing more than 4,900 volunteer drivers submitted responses.

A snapshot of results shows that two out of three volunteer driver programs reimburse for mileage and do so mainly because drivers pay out of pocket for driving their own cars. Rising gas prices can be a hardship, especially for those living on fixed incomes and those who drive longer distances.

"It's just common sense. Without reimbursement, drivers may not be able to afford to continue to volunteer their services and it may be impossible to recruit new volunteers in the current economic environment," said Helen Kerschner, PhD, president and CEO of the Beverly Foundation.

The survey not only yields new data on the need for and what might be called "the unrealized luxury" of gas mileage reimbursement, it also provides insight into the confusion over allowable expenses. To wit:

- Some volunteer driver programs believe that they can and should use the 2008 IRS mileage rate for business use (currently 58.5 cents a mile) to reimburse their drivers.
- At the other extreme, some believe they must reimburse at the charitable mileage rate of 14 cents a mile set by law. Anything over is treated by IRS as taxable income.

Rocketing gas prices in 2008 prompted the introduction of legislation in both the Senate and the House, which may resolve the confusion over mileage rates, but still may not be of much help to the many dedicated drivers doing charitable work. Read more about the proposals in "So Much to Do, Too Little Inclination," by Rick Cohen, former executive director of the National Committee for Responsive Philanthropy <[www.nptimes.com/webex/08sept/c3-9-1-08.html](http://www.nptimes.com/webex/08sept/c3-9-1-08.html)>.

**Commentary**

Interpretations and misinterpretations of allowable mileage reimbursement rates for volunteer driver programs have risen dramatically this year. These programs historically have set reimbursement rates at whatever the traffic will bear. However, that all changed in 2008, with the worldwide increase in gas prices and new statutory proposals advancing through Congress which seek to clarify the charitable rate of reimbursement. What we have today are many unanswered questions for voluntary groups that want to reimburse their drivers but are hamstrung by the confusion. What is needed is for Congress to set an appropriate charitable mileage reimbursement rate (preferably one that is similar to the rate for business mileage reimbursement) so that volunteer drivers receive adequate reimbursement without having to worry about part of it being taxable income. It is a win-win-win for drivers, programs, and older adult passengers.

Highlights of the Beverly Foundation's Mileage **Reimbursement Challenge Report** are available at <[www.beverlyfoundation.org](http://www.beverlyfoundation.org)> and the *STP Exchange* <[www.stpexchange.org](http://www.stpexchange.org)>.

**About the Beverly Foundation**

The Beverly Foundation, headquartered in Pasadena, Calif., is a non-profit operating foundation that undertakes research, demonstration, and assistance to encourage and facilitate mobility and transportation for older adults. The Foundation is a co-sponsor of *The STP Exchange*, a Web-based resource for peer-to-peer communication and networking among organizations and programs that provide transportation for older adults. Membership is free and open to professionals, providers, and community groups.

For more information contact:

Helen K. Kerschner, PhD, President, CEO

The Beverly Foundation

626-792-2292

[hkerschner@beverlyfoundation.org](mailto:hkerschner@beverlyfoundation.org)

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