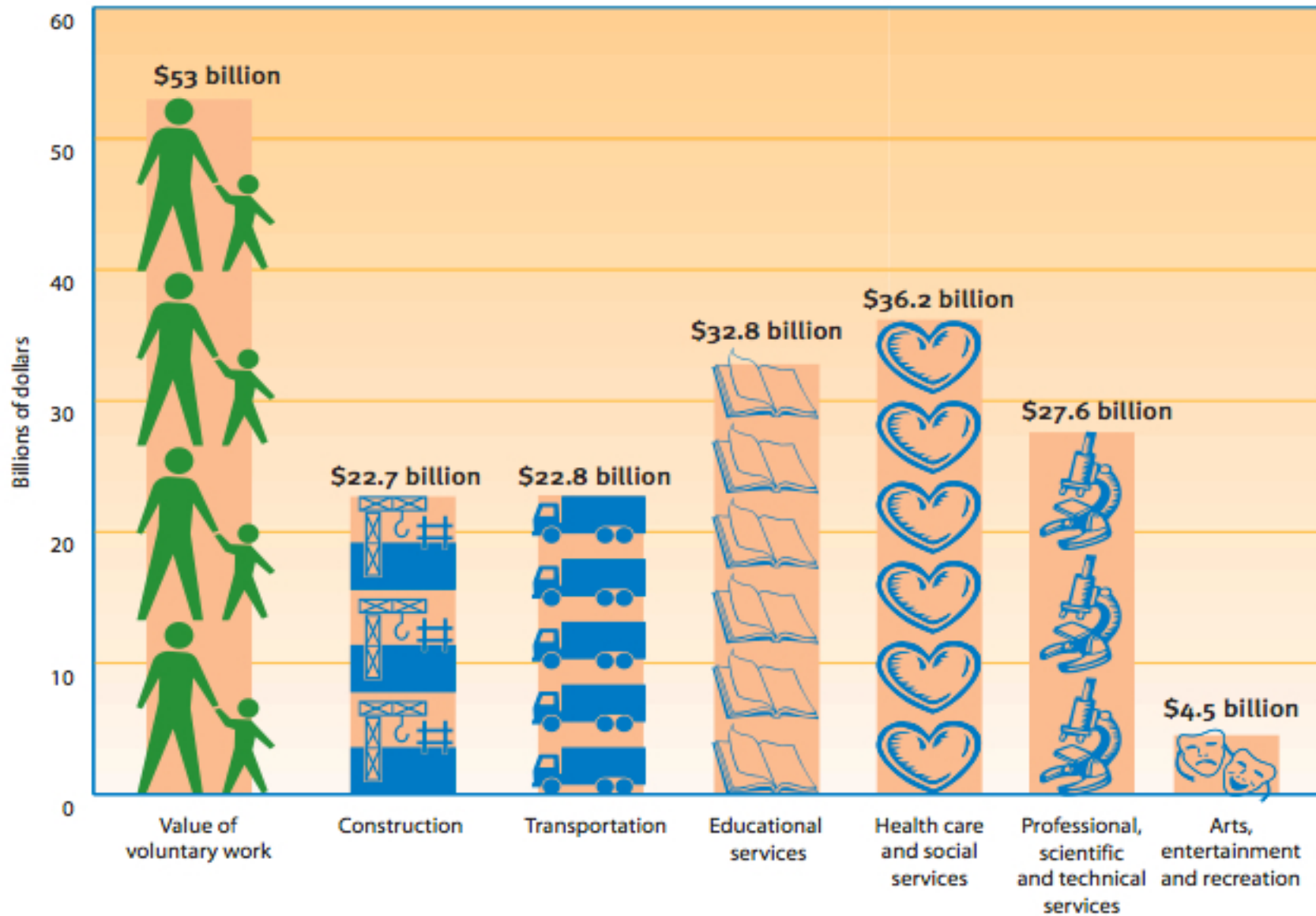




Accounting for Volunteer Contributions: A Different Story, A Different Paradigm

Laurie Mook, Arizona State University
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Value of voluntary work compared to selected annual industry payrolls, 2000



Sources: Statistics Canada, *Employment, Earnings and Hours*; *Households' Unpaid Work: Measurement and Valuation*; and GPI Atlantic, 2003.

What we count and measure reflects our values as a society and determines what makes it onto the policy agendas.

~ Ron Colman, GPI Atlantic

Why Report Volunteer Value?

- Excluding volunteer labor in nonprofit accounting statements undervalues a key resource that many nonprofits rely on
- Perception gap if volunteers omitted from financial statements – creates a ‘hidden economy’
- Decision usefulness reduced if not reported
 - Strategic planning
 - Budgeting

Why Report Volunteer Value?



Applying an economic value to volunteer contributions helps you and your stakeholders know who you are. It provides a more complete picture of your organization.



Applying an economic value to volunteer contributions builds the case for securing resources to fund volunteer management.



Applying an economic value to volunteer contributions can help with volunteer recruitment and retention, and volunteer management in general.

Why Report Volunteer Value?



Applying an economic value to volunteer contributions sends a strong message to funders and donors.



Applying an economic value to volunteer contributions provides valuable information to the Board of Directors.



Applying an economic value to volunteer contributions can lead to better collaboration between staff and volunteers.

Methods of Estimating Dollar Value of Volunteer Time

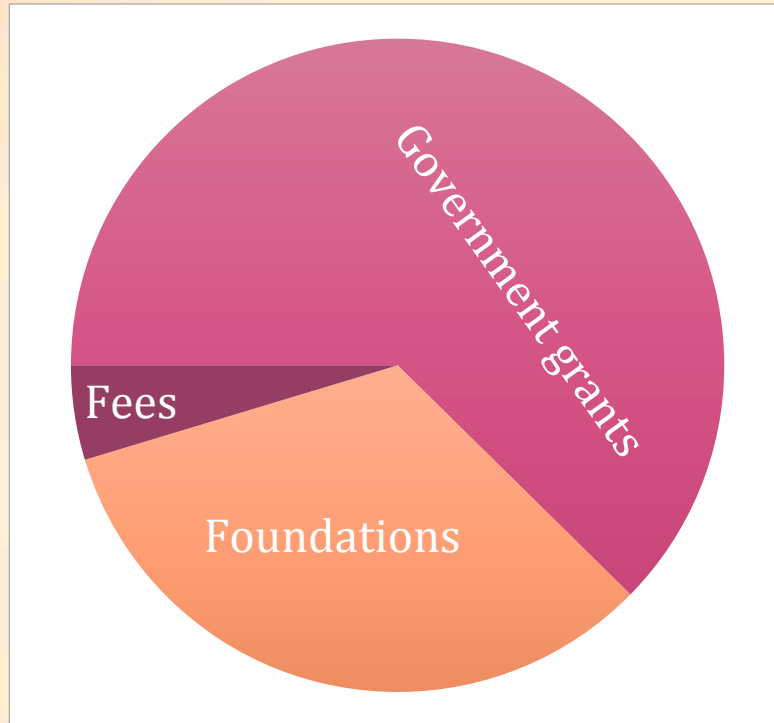
- Replacement Cost
 - What is an hour of your time worth to the organization?

Input-Based Methods of Estimating Dollar Value of Volunteer Time

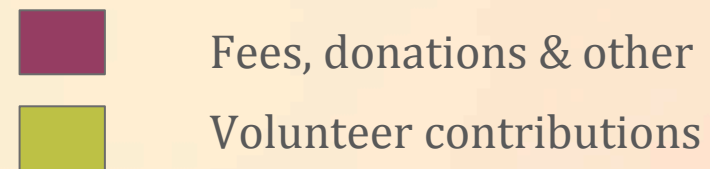
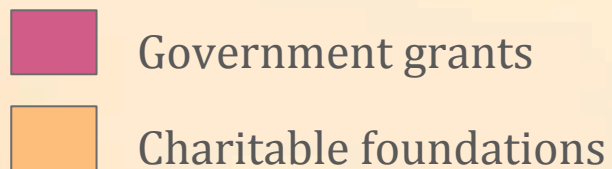
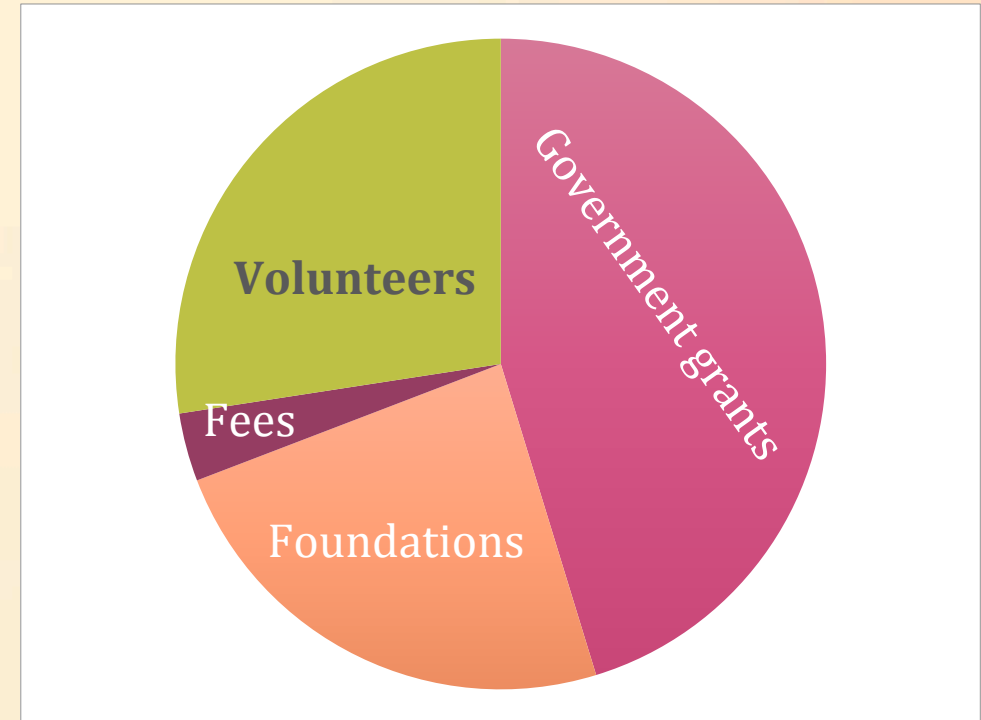
Approach	Feature	Advantages	Disadvantages
Generalist Approach to Replacement Costs "one size fits all"	The general approach uses one global figure for all organizations.	Useful for surveys of volunteer value.	Too general for application to a particular organization or a particular task.
Specialist Approach to Replacement Costs "task-specific"	The specialist approach evaluates volunteer contributions to the organization by comparing them with similar jobs/tasks in the market.	Very precise and likely to result in the most accurate estimate.	Necessary information may be difficult to obtain for some organizations.
Modified Specialist Approach to Replacement Costs "organization-specific"	The modified specialist approach evaluates volunteer contributions to the organization by comparing them to the general market value of jobs within a particular field of endeavour.	Not as precise as the specialist approach, but more practical.	For organizations with a broad range of tasks, could be too approximate.

A Different Story

Without volunteers



With volunteers



A Different Paradigm

- The very act of “counting” certain things and excluding others shapes a particular interpretation of social reality, which in turn has policy implications.
- From this perspective, the financial accounts of an organization do not just describe or communicate information about an organization, but they define its boundaries and shape *behavior*.
- What behaviors are promoted in current accounting and reporting models for nonprofits and why?
- In designing new accounting models, what behaviors do we want to promote/change?

References

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Thank you! Merci!

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