

## LEx Leader Service Members Compensation & Support Guidelines

This document outlines FosterClub’s policies surrounding the support for Lived Experience (LEx) Leaders participation in service activities on behalf of FosterClub.

**Defining a LEx Leader’s role at FosterClub:** When an individual with LEx is engaged with FosterClub, they must first be clearly classified as either a Volunteer Service Member, Employee, or Contractor:

LEx Leader Volunteer Service Member	Employee with Lived Experience	LEx Contractor - 1099
<ul style="list-style-type: none"> <li>● Participates in one or more volunteer service opportunities (and any accompanying training, debrief, or reporting related to the performed service activity) for FosterClub or our partners.</li> <li>● Is supported by FosterClub staff in carrying out service activities.</li> <li>● Receives a living allowance or stipend, limited to Government Services Administration (GSA)-defined per diem maximums.</li> <li>● Compensation in excess of GSA per diem guidelines which reach \$600 or more in a calendar year is reported via 1099.</li> </ul>	<ul style="list-style-type: none"> <li>● Conducts the same work as any other staff member.</li> <li>● Abides by policies outlined in FosterClub’s Employee Handbook.</li> <li>● Receives benefits outlined for other staff.</li> <li>● Receives wages.</li> <li>● Supports Volunteer Service Members in carrying out service activities.</li> <li>● Is assigned a position that is defined as Exempt or Non-Exempt.</li> </ul>	<ul style="list-style-type: none"> <li>● Conducts work similar to a staff member, but requiring specialized expertise (e.g. requirement the task be filled by a LEx Leader and/or that LEx is required to perform the work).</li> <li>● Paid a flat fee for doing a job outlined in a statement of work.</li> <li>● Work without FosterClub oversight and, instead, have only a reporting relationship with staff.</li> <li>● Complete a W-9.</li> <li>● Are not entitled to FosterClub benefits received by staff.</li> </ul>
<p>This document is designed to provide guidance regarding compensation</p>	<p>If it is determined a LEx Leader will be an Employee or Contractor, hiring or supervising staff must work with HR and follow regular policies and practices for FosterClub personnel.</p>	

The intention of this document is to clarify FosterClub policy on the distribution of a living allowance or stipend to support a LEx Leader’s Volunteer Service.

“The living allowance or per diem stipend is designed to help LEx Leaders meet the necessary living expenses incurred while participating as a volunteer in a FosterClub Program. Programs must not pay a living allowance or per diem on an hourly basis. It is not a wage and should not fluctuate based on the number of hours LEx Leaders serve in a given time period.”<sup>1</sup>

As noted, the living allowance or per diem stipend is not a wage. A stipend may be exempt from taxes if certain conditions are met. The stipend may not be payment for services performed. For example, the stipend might be paid to enable you to complete school-related research while any work you do is unpaid.<sup>2</sup>

### **Guidelines for Living Allowance:**

FosterClub uses the Government Services Administration (GSA)’s federal per diem guidelines to calculate MAXIMUM per diem (or per day) amount that is payable to a LEx Leader.<sup>3</sup>

For 2021, the standard per diem is \$151 (\$96 lodging, \$55 meals and incidental expenses). This may be used across all calculations, but if an activity is held in one of the 319 Non-Standard Areas (NSAs) defined by GSA, a higher rate may be used.

### **Volunteer Service Activities**

The following chart represents the array of service activities that a LEx Leader might perform through FosterClub:

Youth Programs: Peer-Led Training

Youth Programs: Peer Outreach

Youth Programs: Peer Support or Peer Mentoring

System Change Programs: LEx Training for Adult Stakeholders

System Change Programs: LEx Advising (e.g. report review, research design, etc)

System Change Programs: LEx Public Awareness or Education

### **Additional information**

If you have additional questions about FosterClub’s Living Allowance, you may want to refer to [FosterClub’s LEx Living Allowance Q&A](#).

---

<sup>1</sup> Modeled after AmeriCorps living allowance guidance:

[https://www.nationalservice.gov/sites/default/files/resource/rr3-ac-living-allowances-4-13-12\\_0.pdf](https://www.nationalservice.gov/sites/default/files/resource/rr3-ac-living-allowances-4-13-12_0.pdf)

<sup>2</sup> Tax rules for Student Interns: <https://pocketsense.com/tax-rules-for-student-interns-13660982.html>

<sup>3</sup> GSA FY 2021 Per Diem Highlights:

[https://www.gsa.gov/travel/plan-book/per-diem-rates/fy-2021-per-diem-highlights#:~:text=Most%20of%20the%20CONUS%20\(approximately,than%20the%20standard%20CONUS%20rate](https://www.gsa.gov/travel/plan-book/per-diem-rates/fy-2021-per-diem-highlights#:~:text=Most%20of%20the%20CONUS%20(approximately,than%20the%20standard%20CONUS%20rate)

## Typical Living Allowance for Volunteer Service Activities

Assignment	Notes and Formula	Suggested Living Allowance
Full-day participation	Full day activity may include time for travel, preparation, activity, debrief, reporting. Maximum amount provided as a Living allowance is \$151 or GSA rate.	\$150
Partial day participation	Service requiring less than a full day (e.g. 4 hours or less). Maximum amount provided as a Living allowance is 50% or less of NSA rate.	\$75
Call	May include briefing/debriefing calls or other service conducted remotely. Time may include prep plus a 90 min call, and any reporting required. Maximum amount provided as a Living allowance is 37 or 25% of NSA rate.	\$35
Internship - no housing provided	Week long service engagement @ 30-40 hrs. Calculated at five full days. Maximum amount provided as a Living allowance is \$151 or NSA rate. Average in any end-of-term bonus.	\$600 / week
Internship - housing provided	Maximum is based on M&IE only. Maximum amount provided as a Living allowance is \$55 or NSA rate. Average in any end-of-term bonus.	\$350 / week

### Tracking Service Hours

LEx Leaders may be asked to track Service Hours for the purpose of calculating the number of service hours provided to FosterClub by volunteers. While the SCOPE of the service project may be used to develop the amount of the living allowance or per diem stipend, the amount provided to a LEx Leader may not be reduced or increased based on reported hours.

### Additional Ways FosterClub May Pass Funds to Young People

FosterClub provides funding to young people in additional ways that do not involve tracking wages or 1099 compensation:

- Prizes: FosterClub does not report nominal cash prizes (less than \$600) provided to individuals to the IRS. Generally, an exempt organization must report raffle prizes if it is \$600 or more.<sup>4</sup> This applies to non-cash prizes, such as gift cards, too.

<sup>4</sup> Tax-Exempt Organizations and Raffle Prizes, IRS. [https://www.irs.gov/pub/irs-tege/notice\\_1340.pdf](https://www.irs.gov/pub/irs-tege/notice_1340.pdf)

- Disaster relief funds: FosterClub does not report disaster relief funds provided to individuals to the IRS. Money provided to help young people through a disaster or crisis does not need to be reported as taxable income.<sup>5</sup>
- Scholarships: FosterClub does not report scholarships provided to individuals to the IRS. A scholarship for tuition expenses and fees is tax-free, but if a student uses scholarship funds for room and board, the IRS indicates they need to be declared as taxable income. According to the IRS, students must meet the following two conditions for scholarships or fellowship grants to be tax-free:<sup>6</sup>
  - They are a candidate at an educational institution with a regular faculty and curriculum. The organization (school, college, university) must have a regularly enrolled body of students in attendance.
  - The financial aid funds received is for tuition and fees required for enrollment, as well as additional class fees, books, supplies, and equipment needed for courses.

FosterClub must always indicate to young people that we are not qualified to provide tax guidance. Young people should be advised to do their own research or conduct a tax professional.

**Disclaimer:**

FosterClub does not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

**Additional Reference Documents:**

- <https://www.indeed.com/career-advice/pay-salary/what-is-a-stipend>

---

<sup>5</sup> Publication 525 (2019), Taxable and Nontaxable Income, IRS. [https://www.irs.gov/publications/p525#en\\_US\\_2019\\_publink1000229477](https://www.irs.gov/publications/p525#en_US_2019_publink1000229477)

<sup>6</sup> Students, Educators and Income Taxes, eFile. <https://www.efile.com/student-tax/>