

# Frequently Asked Questions (FAQs)

## **What is the source of the volunteer value rate?**

We use the Independent Sector, as developed by the University of Maryland School of Public Policy's Do-Good Institute.

## **Why use the volunteer value rate?**

Organizations frequently use the value of volunteer time to show how much support they receive from their volunteers. The Financial Accounting Standards Board (FASB), which establishes generally accepted accounting practices (GAAPs), accepts the Independent Sector volunteer value rate for use on financial statements.

## **Who is the Independent Sector?**

For decades, the Independent Sector has been the primary source for state and national data on the value of volunteer time in the United States.

## **How is the Independent Sector volunteer value rate determined?**

The value of an hour of volunteer time is based on the hourly-earnings CES estimate for private nonfarm and non-managerial occupations, plus a 15.7 percent increase for the value of fringe benefits. Visit Value of Volunteer Time: Methodology | Independent Sector Resources for the complete description.

## **How can this volunteer value rate help a volunteer fire or EMS agency?**

In addition to what the NVFC calculators show, according to the Financial Accounting Standards Board (FASB), the value of volunteer services can also be used on financial statements – including statements for internal and external purposes, grant proposals, and annual reports – but only if a volunteer is performing a specialized skill for a nonprofit (like firefighting or emergency medical care).

## **Who is the FASB?**

The Financial Accounting Standards Board (FASB) and their Accounting Standards Codification® is the single official source of authoritative, nongovernmental U.S. generally accepted accounting principles (GAAP). Visit the Financial Accounting Standards Board (FASB) for more information.

## **When is the Independent Sector volunteer value rate updated?**

Answer: The independent sector updates and makes available the volunteer value rate sometime in April of each year. The calculators were designed to be easily updated when updated rates become available, by the NVFC

## **What fringe rate is used for the Career versus Volunteer Comparison Calculator?**

Answer: 38.175% based on US Bureau of Labor Statistics data wage data for state and local government. Visit Employer Costs for Employee Compensation - 2024 Q02 Results for more information.

## **What is the US Bureau of Labor Statistics?**

The Bureau of Labor Statistics is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics.

## **Where does the fringe rate for the Career versus Volunteer Comparison Calculator come from?**

The US Bureau of Labor Statistics, which monitors and reports fringe rates for full-time/career employees in all economic sectors. The BLS fringe rate for municipal, local, and state employees is used in the calculator because it is the most accurate, available, and frequently updated source currently available.

### **Why don't all calculators use the BLS fringe rate?**

The BLS fringe rate is not accepted for calculating the value of a volunteer, as the FSAB accepts the Independent Sector Volunteer Value rate with 15.7% fringe. However, the BLS fringe rate is the most accepted average fringe rate when comparing career costs.

### **The fire department near me has a much higher fringe rate than 38.175%.**

Many State and municipal fire agencies have higher fringe rates. The BLS 38.175% average used is a verifiable average rate, from an established government agency that determines and reports economic data, which is updated quarterly.

### **My volunteers staff a 3-person engine 24 hours a day, 365 days a year. How many career staff members does it take to do that?**

Career Fire and EMS Agencies work many schedules, most commonly 42 hours a week over an 8-week average, 48 hours a week, 53 to 56 hours a week, and with shifts of 10, 14, or 24 hours the most common. A four-shift career model would have 12 career people cover the 3-person engine mentioned above. A three-shift model would have nine career people.

### **The Career versus Volunteer Comparison Calculator shows higher-than-expected cost savings when comparing career department costs near me. Why?**

The fire departments near you may have a lower pay range (below the volunteer value average) or lower fringe benefits costs than the average. The calculator also uses a calculated average rate, and the average could be higher than what is normal in your area.

### **The Career versus Volunteer Comparison Calculator shows lower-than-expected cost savings compared to the costs of the fire department near me. Why?**

The fire department may have a higher pay range (exceeding the state rate) or a higher fringe benefits rate, often needed to meet a required retirement system. The calculator also uses a calculated average rate, and the average could be lower than what is normal in your area.

### **What benefits are included in a fringe benefit rate?**

Examples of the benefits included in a fringe rate include disability insurance, the employer portion of Medicare and Social Security taxes, health insurance, life insurance, pension plan contributions, unemployment insurance, and workers' compensation insurance.

### **I clicked the "save calculator" button but couldn't find the file.**

A downloaded file will typically save to your downloads folder unless you have specified a different location in your device settings. Note that if your device is set to dark mode, the file may appear dark when opened in an editing app. However, when inserted into a document file, it will present properly.