Guidelines for Volunteer Departments in a For-Profit Healthcare Facility

In response to member requests, the American Society of Directors of Volunteer Services (ASDVS) charged a committee to put together guidelines for members who operate volunteer programs in for-profit health care facilities.

The Guidelines for Volunteer Departments in a For-Profit Healthcare Facility has been designed to be a tool for the Director of Volunteer Services (DVS). The purpose of these guidelines is to serve as a source of information and suggestions for the DVS regarding Volunteer Services Programming and Financial Considerations. We hope that you will find this tool to be a valuable resource.
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Volunteer Service Guidelines

- Volunteers support, they do not supplant, the work of the employees.
  - Volunteer Service: Even though volunteer services do not involve the auxiliary’s “net earnings”, they can result in a financial benefit to the hospital and are therefore suspect by the IRS. If the hospital will save money by allowing volunteers to perform a service, or if the service raises revenue for the hospital, auxiliary members should refrain from the activity. Moreover, volunteers must avoid providing any medical services to patients. Not only would such services constitute a financial benefit to the hospital, they also pose an unacceptable liability risk. Volunteers should only perform services that constitute “extras” designed to help patients and their families, and which would not otherwise be provided by the hospital.

- Suggested activities:
  - Providing residential facilities for the use of out-of-town families or patients.
  - Reading to patients and helping them write letters.
  - Delivering mail, newspapers and magazines to patients.
  - Guiding school groups and visitors on tours of the facility.
  - Staffing an information booth and helping visitors find the rooms of patients.
  - Working in a snack bar or gift shop operated to raise funds for the auxiliary or other nonprofit group.
  - Providing community education about healthcare issues.
  - Staffing a hospital library that provides healthcare information for patients and their families
  - Staffing Waiting Rooms

- Gray areas:
  - Clerical Duties. In some instances, special requests requiring short-term involvement, such as a one-time request to make charts, file etc. would be acceptable as long as it is determined the hospital would not hire an employee to complete a one-time, short-term task.
  - If a volunteer works in an area where staff has been terminated, only small tasks such as answering the phone or copying should be allowed, ensuring duties performed are not the major part of the job description.
  - Escorting patients to and from areas of the hospital (this helps bolster the patients spirits, but may also substitute for the services of paid employees.)
  - An excellent resource for information on volunteer services is in “Legal Barriers to Volunteer Services, A Community Service Brief” from the Nonprofit Risk Management Center. For further assistance check their web site: www.nonprofitrisk.org.
  - The recommendation would be to check with the hospital’s Legal or Human Resource Department to determine their own facilities comfort level.
Establish the Auxiliary as a separately incorporated 501 © (3) organization. Section 501 © (3) of the IRS Code provides that tax exempt organizations must operate exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes. In deciding whether or not an activity is allowed, the auxiliary should ask the following question: **Will the activity performed or the asset provided, result in increased revenue or decreased costs to the hospital?** If so, the activity should be avoided even though its primary purpose is to benefit patients or the community. If, on the other hand, the activity will benefit patients and the community, but will not result in increased revenue or decreased costs to the hospital, the activity probably is acceptable.

File a form 990 with the IRS annually

Keep all funds separate from hospital funds at all times.

Answers to legal questions should not be sought from the hospital’s legal counsel. Obtain independent legal counsel.

Ensure Auxiliary By-laws specify fundraising guidelines

Gifts or transfer of assets to the hospital: The area of greatest risks involves the gift of auxiliary funds and expensive equipment to the for-profit facility. Hospital auxiliaries associated with nonprofit hospitals have traditionally prided themselves on their ability to raise funds for such gifts. **Clearly, an auxiliary’s unrestricted gifts of money or equipment to benefit a privately owned hospital would be prohibited.** The Auxiliary must ask the question: **“Will the asset that is transferred result in increased revenue or decreased costs to the hospital?”** For example, gifts of computers, medical equipment or similar items would be prohibited if they helped the hospital save money, generate revenue or meet licensure or accreditation standards.

Gifts primarily for the purpose of hospital staff recruitment or enhancement would also be prohibited, such as, providing employee awards or incentives aimed at recruiting or retaining hospital personnel. However, a fitness trail is not something a hospital would easily provide in order to attract patients and employees, and should present less risk.

The auxiliary should therefore restrict its gifts to helping non-profit groups or to purchasing hospital “extras” for patients and their families. Gifts to non-profit groups for community outreach/education are perfectly acceptable even if such gifts result in increased goodwill toward the hospital and the potential of increased referrals for the hospital, such as, children’s organizations, crisis intervention, cancer awareness programs. There should, however, be no “strings” attached that could be construed as requiring such referrals to the hospital.
Many gifts fall into questionable or “gray areas” since they may indirectly benefit the hospital as well as the patients and the community. For example, landscaping, decorating or beautification projects can be risky because they not only benefit patients and their families, but also make the hospital more attractive and appealing to potential patients and to hospital employees. Therefore, the auxiliary will need to make a judgment call in deciding whether to pursue such projects. The risk is lowered if the auxiliary can show that the project is not one that would normally be performed or provided by the hospital.

Many auxiliaries raise money for healthcare scholarships. Such scholarships are acceptable as long as they do not result in a financial benefit to the hospital. Any scholarship that requires the recipient to work for the hospital after graduation, or that is restricted to hospital employees, would pose a serious risk. Ideally, an independent nonprofit group should select the scholarship recipients and administer the scholarship funds in a non-disciplinary way so that there is no question of hospital benefit. If the auxiliary itself selects the recipient and administers the scholarship funds, the auxiliary should check with its legal counsel to be sure that its selection and award process meets IRS standards.

It is recommended that all transactions involving disbursements of funds be approved by a professional (CPA, Attorney) employed by the Auxiliary.

Acknowledgements:

ASDVS wishes to recognize the following members for their generous contribution of time and content:

Pamela Dickerhoof, Committee Chair; Lovelace Sandia Health System, Albuquerque, New Mexico
Gene Burke, Bon Secours Venice Healthcare, Venice, Florida
Beverly Epps, John Randolph Medical Center, Hopewell Virginia
Lynn Futrell, Sierra Providence Health Network, El Paso, Texas
Karen Karpinski, Skyline Medical Center, Nashville, Tennessee

A special acknowledgement to Jane Warach, CPA from El Paso, Texas who edited and provided invaluable input to this paper.