



BROIDE & CO.  
Certified Public Accountants (Isr.)

## **UPDATE FOR NON-PROFITS**

### **Payments/Expenses to Volunteers in "Non-Profits" – New Tax Provisions**

We wish to draw your attention to the tax provisions which facilitate payment of expenses (or refunds) to volunteers in non-profit organizations. Such "refunds" are required to conform with the aims of the organization and have appropriate receipts. (Where such expenses are not deductible this will result in tax payments of 90% of these amounts.)

The following expenses/refunds are "exempt":

- Light refreshments – up to NIS 30 per participant per event (at home or place of work).
- Motor car expenses (gasoline) – up to NIS 660 per month.
- Public transport – NIS 230 monthly.
- Home phone calls – up to NIS 110 monthly.

These are conditional on the volunteer not earning income from the "non-profit" nor receiving any other benefits. In addition, the following conditions will apply:

- The organisation's constitution/articles must provide for activating volunteers;
- The "non-profit" will report each year on all volunteers and amounts paid/refunded (forms to be submitted).

These are very pertinent for many non-profits.

We will be glad to clarify and assist.

Warm regards,

**This update has been prepared for information purposes only. Whilst every care has been taken in compilation, no responsibility can be accepted for inaccuracies or errors. Changes in the Law or practice occur periodically; It is recommended that specific professional advice be sought before any action is taken.**

January 2013

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