



Paying Individuals Tip Sheet

This document provides general information only. It is not legal advice and does not create a lawyer-client relationship. Any 4-H Club or Group that plans to pay someone beyond reimbursement of allowable expenses should seek outside legal, tax, and insurance advice.

Can a 4-H Club or Group pay a volunteer?

No, paying a volunteer beyond reimbursement for actual, allowable expenses can create legal and financial risks. For example:

- The individual may lose volunteer liability protections.
- The individual may be considered an employee, which could require the 4-H Club or Group to follow employment laws.
- The 4-H Club or Group and the individual may have tax reporting obligations.

Leaders Organization Treasurer Position: The only exception to this policy is that, due to the size, scope and continuous (year round) financial activities in some 4-H Leader Organizations, a treasurer may receive a nominal payment of not more than \$10 per week, not to exceed \$500 total annually, regardless of the funding source. Individuals serving in this role would retain their volunteer status.

What liability protections may be lost if a volunteer is paid?

Volunteers acting within their approved role and under the direction of UW-Madison Extension receive certain liability protections under Wisconsin law. If a volunteer receives payment beyond expense reimbursement, they may lose those protections while performing that role.

What should a 4-H Club or Group consider before paying anyone?

4-H Clubs and Groups should avoid unintentionally becoming employers. Paying someone may create an employment relationship, which can require compliance with:

- Wage and hour laws
- Tax withholding and reporting
- Workers' compensation and unemployment insurance
- Equal Employment Opportunity (EEO) laws
- Other employment regulations

The University of Wisconsin–Madison Division of Extension provides equal opportunities in employment and programming in compliance with state and federal law.

If an employment relationship is created, the 4-H Club or Group may also be legally responsible for the individual's actions and work.

Before making any payment beyond reimbursement, seek legal, tax, and insurance advice.

Can a 4-H Club or Group hire an independent contractor or pay a guest speaker?

Yes. A Club or Group may hire an independent contractor or pay a guest speaker (for example, for a one-time educational program). In most cases, these individuals should be treated as independent contractors.

Key points to remember:

- A paid individual is **not** a 4-H volunteer while performing paid services and does not receive volunteer liability protections.
- Improper classification could result in the person being treated as an employee.
- A written agreement should describe the services and payment terms and clarify that the person is not a volunteer or employee of UW-Madison Division of Extension or the 4-H Club or Group.
- Tax reporting (such as Form 1099-NEC) may be required.
- Paid individuals may not independently supervise youth. An approved 4-H volunteer must remain responsible for youth supervision and program oversight.
- All services must support the 4-H mission and follow UW-Madison Division of Extension and Wisconsin 4-H policies.
- Legal and tax guidance is strongly recommended before proceeding.

Paid Food Stand Managers

An individual paid to manage a food stand is **not** a UW-Madison approved 4-H volunteer while serving in that role.

The 4-H Club or Group must provide written notice stating that the individual:

- Is not acting on behalf of UW-Madison or the 4-H Club or Group
- Is not covered by Wisconsin's self-funded liability program or other UW-Madison volunteer protections
- A separate, approved 4-H volunteer must supervise youth participants. A paid food stand manager may not supervise youth or represent UW-Madison or the 4-H Club or Group in any capacity.

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