

Volunteers May Work For Nonprofits Without Compensation

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The California Court of Appeal has definitively resolved an issue that was until now somewhat ambiguous: Can volunteers in fact volunteer their time for nonprofit organizations without receiving pay or other forms of compensation? The answer is YES. *Woods v. American Film Institute,* Case No. B307220 (Cal. Ct. App. Dec. 17, 2021).

Laurie Woods worked for four days as a volunteer at the American Film Institute's ("AFI") annual Film Festival in Los Angeles. (AFI is a 501(c)(3) nonprofit organization dedicated to celebrating excellence and creating educational initiatives in film.)

After the Festival, Woods filed a putative class action against AFI for wage and hour violations, seeking compensation for unpaid wages and meal and rest breaks, arguing that she and other similarly situated volunteers were in fact employees. The trial court denied Woods' motion for class certification on the ground that common questions would not predominate over individual issues for the claims that Woods sought to certify for class treatment. The Court of Appeal affirmed the trial court's ruling.

Woods argued that AFI is not the kind of nonprofit organization that is permitted to use volunteers under California law on the theory that only religious or charitable organizations dedicated to helping the poor, needy or suffering may enlist the support of unpaid volunteers. The Court of Appeal rejected Woods' position:

Under Woods' interpretation, local community theatre organizations, community orchestras, and other cultural nonprofit entities would be required to treat all their workers as employees, even if those workers were dedicated to the mission of the organization and wished to volunteer their time. Such a rule would have unforeseen and potentially devastating financial implications for such groups.

In light of this ruling, it is now clear in California that volunteers may donate their time and assistance to civic, charitable, and humanitarian nonprofit organizations without compensation or any other form of remuneration other than the satisfaction of supporting an organization they want to help.

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