

Payroll Giving: Employer's Pack

You could make a
world of difference





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Employer's Checklist

Setting up a Payroll Giving scheme is simple!

Have you?

- Received a Payroll Giving Pack or downloaded a copy from our web site at www.charitablegiving.co.uk
- Completed and signed a **Payroll Giving Contract**
- Returned, by post, the **Payroll Giving Contract** to:

**Charitable Giving
Union Mine Road
Pitts Cleave
Tavistock
PL19 0PW**

- Received a countersigned Payroll Giving Contract from Charitable Giving
- Appointed a **Scheme Administrator**
- Provided the Scheme Administrator with a copy of the: Information Sheet; Scheme Administration Checklist; and Sending Payroll Giving Monies sheet

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

Thank you for your help.





Administration Charges

The following terms are available for new contracts signed on or after 1 October 2010:

- The standard administration charge will be £0.25 per donor per month
- The minimum Payroll Giving deduction required will be £1.00 per week or £5.00 per month
- Employers will be required to send their:
 - Payroll Giving monies (that is, payroll deductions, administration charge, matching, as appropriate) as **a single amount, monthly, by credit transfer**, e.g., BACS
 - Listings of Payroll Giving deductions **electronically** either in a Microsoft Excel (*.xls) or a comma-separated variable (*.csv) format

When completing a new **Payroll Giving Contract**, for the administration charge in Paragraph 4

- The second option should be "ticked"
- £0.25 should be entered as the amount, and
- The commencement date should be the same as the start date of the contract, e.g., if the start date in Paragraph 1 is 01/07/2010, the commencement date in Paragraph 4 should be 01/07/2010

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

Thank you for your help.





Payroll Giving Contract

This Contract is between Charitable Giving (the "Approved Agency") and

Employer's Name: (the "Agent")

Employer's Address: Post Code:

Telephone: Email:

- 1 From / / , the **Agent** will operate the Payroll Giving Scheme under the Taxes Act 1988 Section 202 and the Charitable Deductions (Approved Schemes) Regulations 1986 as an **Agent** to the **Approved Agency**
- 2 It is agreed that the **Agent**:
- (a) Under the scheme is constituted the agent/representative of the **Approved Agency** in holding monies withheld from the employees pursuant to the scheme
 - (b) Will pay over to the **Approved Agency** sums withheld from employees pursuant to the scheme within 14 days of the end of the Income Tax month
 - (c) Will before implementing the scheme for any one employee, obtain from that employee his authority and instructions in the form agreed by the **Approved Agency**

- 3 It is agreed that the administration charge will be paid by (please tick **one** of the following options):

- The **Agent**
- The employees
- Another organisation (please specify):

- 4 It is agreed that the administration charge will be based upon (please tick **one** of the following options):

- % of Payroll Giving deductions
- £ per Payroll Giving deduction
- A fixed charge of £ per month

and commence on / / .

- 5 The **Agent's** payroll details are as follows:

Frequency: Quarterly Monthly 4-Weekly Weekly (please tick **one** option)

Tax District: Tax Reference No:

Number of employees (including Directors) on the payroll?

- 6 The **Agent** will "match" employees' Payroll Giving deductions, in whole or in part, on the following basis:

Please state the basis for your "matching" contributions, e.g. 100% or 50% of each donation up to a maximum of £10, or enter "Not Applicable":





7 The **Agent's** payroll is processed by the (please tick **one** of the follo

- The **Agent**
- Another organization, e.g, payroll bureau (please specify below):

Company/Bureau Name:

Company/Bureau Address: Post Code:

Contact Name (Payroll Queries): Position:

Telephone: Email Address:

8 The **Agent** will make remittances by BACS and provide electronically periodic listings of employees' Payroll Giving deductions in either a Microsoft Excel (*.xls) or comma-separated variable (*.csv) format. *** If you are unable to make remittances by BACS, please contact us to arrange another payment method ***

9 It is agreed that the **Agent** will appoint a Scheme Administrator to liaise with the **Approved Agency**:

Contact Name: Position:

Telephone: Email Address:

10 It is agreed that the **Approved Agency** will:

- (a) Provide the **Agent** such information, documentation and instruction in order that the **Agent** may comply with his duties under the scheme
- (b) Provide to each employee upon request and at the end of the tax year a certificate of the amounts which the **Approved Agency** has paid to the charities specified
- (c) Provide written receipts for all monies paid over if so requested
- (d) In no circumstances, return sums duly withheld and paid over to them to the **Agent** or the employee
- (e) Where for any reason it becomes impossible to pay any amount to a charity specified by an employee, pay the amount to such other charity as it may consider has objects similar to those of the charity specified by the employee and will not in any circumstances appropriate that amount to its own funds; and that on paying that amount to the other charity will give notice to the employee that it has done so

11 This Contract may be terminated by either party by giving three months notice delivered to the registered office of the company or last recorded address of the **Agent** but not withstanding the aforementioned notice the **Approved Agency** may give one months notice to terminate the Contract in the event of significant failure by the **Agent** to give effect to the scheme

Signed on behalf of Charitable Giving

Signed:

Position:

Print Name:

Date:

Signed by, or on behalf of, the Agent

Signed:

Position:

Print Name:

Date:

- Please tick box if you do not wish us to make your participation in the Payroll Giving scheme available to third parties other than those required by legislation in force at the time





Donation Choice Form

PAYROLL GIVING

Over the last 20 years, our reliance on charities has grown substantially, so that many charities are now complementary to institutional agencies if not essential to everyday life. Raising more than £115 million in 2008-2009, Payroll Giving can be the lifeblood of charities

The simplicity of Payroll Giving maximises the amount charities receive and experience shows that it is the most sustainable form of charitable giving, many donors having been loyal for over 20 years

BENEFITS

For you as an employee, Payroll Giving offers several benefits:

- It is a tax efficient way of giving to charity because any tax liability is calculated after your Payroll Giving contribution has been deducted from gross pay meaning that the tax that would have been sent to the HMRC is received by your nominated charities
- Once set-up, there is nothing more to do other than change your charities or the amount of your Payroll Giving deduction
- If your employer pays the administration charge and/or matches the Payroll Giving deductions, your nominated charities benefit from your participation by receiving enhanced donations

FEATURES

Once you have decided to participate in Payroll Giving, you need to:

- decide how much you wish to have deducted each payday
- decide to which charities you wish to allocate your donations – this choice can remain confidential to you

COSTS

To administer the scheme, Charitable Giving charge a small fee that, unless paid by the employer, is deducted from your Payroll Giving deduction before distribution to charity; the agreed administration charge is either a percentage of the deduction or a fixed amount per employee per payday; in the latter case, the maximum is 25 pence

SIGNING-UP

To sign-up, all you need to do is to complete this **Donation Choice Form**. The minimum requirements for Payroll Giving deductions are £1 per week or £5 per month

Donation Choice Forms may also be obtained from your Payroll Department, your Payroll Giving Scheme Administrator, from ourselves either directly (tel: 01822 611 180), or via our website at www.charitablegiving.co.uk.

You can register as an on-line user to both sign-up and manage your Payroll Giving via our website

ADMINISTRATION

Having signed-up, you may wish in the future to change:

- your overall Payroll Giving deduction (provided it is at least the minimum required)
- the amount you allocate to specific charities, or
- your nominated charities

This requires the changes to be specified on a Donation Choice Form that can be obtained as detailed in **SIGNING-UP** above

OPTIONS

In most cases, especially upon joining the scheme, your Payroll Giving deductions will most likely be donated directly to charities.

However, **provided it is at least £10 per month**, you can save all or part of your Payroll Giving deduction in a personal account, called an **Individual Options Account**, so that you can make charitable donations as and when you wish, for example, when you identify a worthy cause while on holiday or for a special disaster appeal

For more details on an **Individual Options Account**, please see our website at www.charitablegiving.co.uk

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

Thank you for your help.





Information Sheet

Operating a Payroll Giving Scheme

1 Before a Payroll Giving scheme can be operated, the following must have been completed and signed:

- A contract between the employer and Charitable Giving, the **Payroll Giving Contract**

Charitable Giving will inform HMRC that you are operating a Payroll Giving scheme

2 Before Payroll Giving deductions can be made, an employee must have completed a **Donation Choice Form** provided by Charitable Giving or an equivalent mandate provided by an employer, a Professional Fundraising Organisation (PFO), or a charity

Completed forms or the data therefrom are sent to Charitable Giving for processing. As necessary, Charitable Giving will forward employees' instructions for Payroll Giving deductions to an employer's payroll office by a Microsoft Excel file (*.xls) to enable them to make deductions from the payroll

3 It is not necessary for an employer to know to which charities an employee is donating. If an employee wishes to donate anonymously, the Donation Choice Form **should be sent directly** to Charitable Giving by the employee

4 Regular Payroll Giving deductions as well as one-off donations:

- May be made from weekly, fortnightly, four-weekly, monthly, or quarterly pay
- Are made from gross pay before the calculation of tax as a standard payroll deduction (there is no effect on NI contributions)

5 A remittance of Payroll Giving deductions should be sent each month **by credit transfer, e.g. BACS**, to Charitable Giving **by the 19th day of the PAYE month** to ensure that donations can be distributed to charities in the first ten working days of the following month (See the information sheet entitled **Sending Payroll Giving Monies**)

Each month's remittance must be accompanied by an itemised schedule of total Payroll Giving deductions by employee as well as any administration charge or matched funds. Schedules should be provided as electronic files (i.e., in *.csv or *.xls formats) transmitted to Charitable Giving as email attachments (See the information sheet entitled **Sending Payroll Giving Monies**)

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

Thank you for your help.





Scheme Administration Checklist

Administering Payroll Giving is easy!

Initial Set Up

- Email your Scheme Administrator's details, including name, initials, title, position, telephone number, and email address to mail@charitablegiving.co.uk
- If appropriate, ensure that each subscribing employee has completed a Donation Choice Form from Charitable Giving or an equivalent mandate provided by your company
- Record the Payroll Giving deduction details from the Donation Choice Forms (or equivalent mandates) or from the details provided by Charitable Giving as a Microsoft Excel file (*.xls) or from a Professional Fundraising Organisation (PFO)
- If appropriate, send the original or a copy of each Donation Choice Form or equivalent mandate to Charitable Giving
- From the Payroll Giving deduction details, set up Payroll Giving deductions on the payroll system as a **deduction from gross pay before tax** (please note that NI contributions are unaffected)

Month 1

- Complete payroll processing including Payroll Giving deductions
- If they are to be paid by the company, calculate the administration charge and/or matched funds
- Prepare a schedule of Payroll Giving deductions by employee as an Excel (*.xls) or CSV (*.csv) file and send by email to Charitable Giving (see **Sending Payroll Giving Monies** sheet for details)
- Send the total amount of money (including any administration charge and/or matched funding, if appropriate) in a single BACS transaction to Charitable Giving **by the 19th day of the month following the PAYE month** (see **Sending Payroll Giving Monies** sheet for details)
- If you are unable to send funds by BACS, please contact us to arrange an alternative method of payment

Month 2 Onwards

- Ensure that Payroll Giving deduction details are updated on the payroll system for **starters, leavers**, and changes in the deduction details of **existing subscribers**, e.g. increased or decreased deductions
- If appropriate, send the original or a copy of any Donation Choice Forms or equivalent mandates to Charitable Giving
- Complete Month 1 procedures

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

Thank you for your help.





Sending Payroll Giving Monies

To facilitate our electronic processing of your Payroll Giving deductions, we would be grateful if you would please ensure that all of the following boxes are "ticked":

- Send all money by BACS to:

Bank: Lloyds TSB
Sort Code: 30-98-46
Account No: 00594398
Account Name: Charitable Giving – Client 1

- Send the total amount of money **in a single BACS transaction** (not a separate transaction for each employee)

- Prefix your BACS transmission reference (e.g. ACME LTD PG) with your 4-digit **Client Reference** (e.g. 0159) i.e. 0159 ACME LTD PG

You will be advised of your **Client Reference** when the countersigned copy of the Payroll Giving Contract is returned

- Send a schedule of Payroll Giving deductions at the same time as your BACS transmission; **this is a statutory requirement of operating a Payroll Giving scheme**

- Send the schedule of Payroll Giving deductions as either an Excel (*.xls) or CSV (*.csv) file attached to an email

- The file **must contain** at least the following fields:

Name	Initials	Payroll/NI Reference	Amount
Brown	A J	300678	8.00

- If possible, it would be useful to have an indication of any change in donor status, i.e. new, ceased (show Amount = 0.00), increase/decrease in amount, as follows:

Name	Initials	Payroll/NI Reference	Amount	Status
Brown	A J	300678	8.00	
Brown	S W	310786	15.00	NEW
Williams	D R G	322245	5.00	INCREASE
Walton	W S	298754	0.00	CEASED
Martin	B T	305267	6.00	DECREASE
SUB-TOTAL			34.00	
Admin Charge			1.02	
Matched Funds			17.00	
TOTAL			52.02	

- If you include the administration charge and/or matched funds with your BACS transfer, this should be shown as indicated, suitably labelled (see above)

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

Thank you for your help.





Transferring Charity Accounts

When the administration of a Payroll Giving scheme changes to Charitable Giving from another Agency, the change should be seamless and Charitable Giving will ensure that all Payroll Giving deduction and donation instructions are successfully transferred.

However, if either the employer or employees have a "charity account" with the previous Payroll Giving Agency, it will mean that **it will no longer be able to be funded through the Payroll Giving scheme with Charitable Giving**. This does not mean that you as an employer or your employees can no longer have a "charity account" – you can, but it will be with Charitable Giving instead and called an **Options Account**. Once the transfer of data is in progress, Charitable Giving will contact you with more details; in the meantime, some basic questions are answered below to avoid any concern or confusion.

Why is an Options Account required with Charitable Giving?

Since Payroll Giving deductions will no longer be able to be credited to existing charity accounts (as one Payroll Giving Agency will not accept Payroll Giving funds from another Payroll Giving Agency), a similar charity account, an **Options Account**, will be opened by Charitable Giving into which Payroll Giving deductions and other funds can be credited.

What Options Accounts are available?

The **Individual Options Account** is for employees and can be funded out of both pre-tax (i.e. Payroll Giving deductions) and post-tax income, the latter possibly qualifying for enhancement through Gift Aid.

The **Corporate Options Account** is for employers and can be funded from employees' Payroll Giving deductions or company income, e.g. for matching employees' donations, paying administration charges, or sponsoring employees' charitable activities

What will happen to existing charity accounts?

This is up to the account holder and there are three options:

- (i) Continue to make donations until the account is exhausted and, hence, "closed"
- (ii) Fund the account in another way
- (iii) Close the account by transferring the money to your new Options Account by sending a "cheque", payable to Charitable Giving, for the current balance

*** Please note that, if an existing charity account is retained, Charitable Giving will not be able to send funds to it ***

How are Options Accounts operated?

Options Accounts are both versatile and easy to use and the facilities offered quickly appreciated, especially the management of accounts "on-line" via our web site.

When you wish to make a donation from the account, you will need to provide Charitable Giving with instructions, the quickest and most reliable way to do which is to send an e-Voucher from our website at www.charitablegiving.co.uk. In order to do this, you will first have to register as an on-line user by following the "Registered User Login" link at the top right of any page and then clicking on the [On-Line User Registration] button; once you have received an email confirming your registration, you will be able to manage the Options Account on-line as well as obtain statements whenever you require them.

Electronic management of Options Accounts is something we encourage in line with our environmental policy. However, if you are unable to do so, you can request a book of vouchers for manual completion and posting. A nominal charge is made for posting or emailing annual statements at 30 April, namely £2.50 and £2.00 respectively, and any charge will be debited to your account as it arises.

Donations, including "standing orders", may be made to any UK charity, church, or charitable organisation and preference is to distribute funds to a charity's bank account by BACS. If there are insufficient funds in the account, payment will be made as soon as sufficient funds are available.

If you have any questions, please contact us on 01822 611180 or via mail@charitablegiving.co.uk

