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FREQUENTLY ASKED QUESTIONS

... dedicated to helping you to help others

PAYROLL GIVING

The Payroll Giving scheme, set up by the Government in 1987, enables anyone receiving pay or a pension subject to PAYE to donate to any charity or religious organisation from their gross pay

Today, Payroll Giving is an important source of income for charities, raising sums approaching £100 million per year

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SOUTH WEST CHARITABLE GIVING

Since being approved as a Payroll Giving agency at the inception of the scheme in 1987, we have earned, through dedication and experience, nationwide recognition as a first-class agency, something of which we are very proud

- Operates throughout the UK
- Holds contracts with over 1400 employers, amongst whom are the Ministry of Defence, Rolls Royce, and British Airways as well as many small companies with only one or two employees
- Processes over 125,000 donations per month
- Has loyal and experienced staff
- Uses extensive computerised systems to maintain accurate data, provide reliable and efficient processing, distribute funds rapidly through BACS, and provide effective reporting

... a friendly professional service, based on simplicity, efficiency and confidentiality

... if you operate PAYE, you can set up a Payroll Giving scheme

THE EMPLOYER'S ROLE

Setting-up a Payroll Giving scheme is simple and there are many benefits

Payroll Giving:

- Offers an excellent way to support employees wishing to make tax effective donations
- Enhances a company's social responsibility profile and provides good PR opportunities
- Boosts staff morale and aids both staff retention and recruitment
- Influences business-to-business relationships
- Provides opportunities to demonstrate investment in the local community

HOW DOES A PAYROLL GIVING SCHEME WORK?

Once you have set up a Payroll Giving scheme:

- Employees are free to decide how much they wish to regularly give and to which charities
- A deduction is made every pay day from each participating employee's gross pay
- All deductions are sent to ourselves with a schedule of employees' contributions
- We collate the deductions and distribute them to each charity

WHAT ARE THE COSTS?

There are virtually no costs other than:

- The time taken to set-up the scheme and promote the scheme to your employees, and
- A small administration charge in line with all other Payroll Giving agencies to cover the cost of distributing the monies to charity

The standard administration charge is 4% of the total deductions.

This can either be:

- Deducted by us from each donation each pay day, or
- Paid by yourselves on behalf of the employees by adding it to the deductions sent to us, in which case, the administration charge is a tax-allowable expense against profits

WHAT IS "MATCHING"?

Employers can also match their employees' donations; the matching amount can be any amount agreed by you and it is added to the employee's donations

Matched amounts:

- Do not incur any administration charge, and
- Can be charged against profits as a charitable donation

WHAT DO WE HAVE TO DO TO SET-UP A PAYROLL GIVING SCHEME?

To set up a Payroll Giving scheme, complete the appropriate forms in the **Employer's Pack**

When completed, please return the forms to us by post

WHAT HAPPENS AFTER WE HAVE SIGNED A CONTRACT?

Within a few days, the Contract, countersigned by ourselves, will be returned to you - **you may then start making the first deductions from pay**

We recommend that you appoint a **Scheme Administrator**, namely, someone who will be responsible for dealing with questions from employees as well as being a day-to-day contact with ourselves

Step-by-step instructions for the Scheme Administrator on how to operate the scheme are provided in the Employer's Pack

HOW CAN THE EMPLOYEES OF A BUSINESS COLLECTIVELY GIVE TO CHARITY TO SUPPORT A DESERVING CAUSE IN YOUR LOCAL COMMUNITY?

This can be achieved by a **Company Voucher Account**

A Company Voucher Account is:

- Set-up by ourselves on your behalf and is not unlike a bank account
- Credited with employees' payroll deductions each pay day
- An account where funds are held by us until the company decides to which charity or charities they wish to donate
- Operated by providing instructions to make donations on-line via our web site or by using a Voucher Book which is similar to a cheque book; donations may be given to any charity and are made by us within 10 days

... the most tax efficient way for employees to give to charity

THE EMPLOYEE'S ROLE

Payroll Giving is:

- A tax efficient way of giving to any charity, church, or charitable organisation such as a village hall or Parent Teacher Association
- Beneficial to your employees since the donation is deducted from gross pay before the calculation of tax
- Beneficial to the charity as it will receive the tax that would have been sent to the Chancellor of the Exchequer if the donation had been made in any other way

For an employee to be able to donate through Payroll Giving, as their employer, you must have signed a contract with ourselves as a Payroll Giving agency

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HOW DO EMPLOYEES START DONATING THROUGH PAYROLL GIVING?

Once you, as an employer, have set up a Payroll Giving scheme, it is simple for employees to make donations

Employees will need to decide how much they wish to give and to whom; they may find it useful to consult the Charities Commission website to search the list of registered charities

All that is required is a minimum donation of £1 per month to each of one or more selected charities

Once employees have reached a decision, they will need to inform us; this is done by completing a **Donation Choice Form** on-line via our web site; alternatively, you could download and print a form and then send it to us by post

HOW CAN EMPLOYEES CHANGE THEIR DONATIONS?

The amount:

- Deducted from their pay
- Given to a specific charity, or
- The charities to which they donate can be changed at any time

This is done by completing a **Donation Choice Form** on-line via our web site; alternatively, you could download and print a form and then send it to us by post

IN WHAT OTHER WAY CAN EMPLOYEES USE THEIR PAYROLL GIVING DEDUCTIONS TO GIVE TO CHARITY?

An Individual Voucher Account allows an employee to save their Payroll Giving deductions in a personal account, set up by us on their behalf, rather than selecting a charity or charities for regular monthly donations. When ready, donation instructions can then be sent to us

... for a basic rate taxpayer, donating £5 per month will cost £3.90 from their net pay

... for a higher rate taxpayer, the cost will be £3.00

... answers to some frequently asked questions

IS IT EASY TO SET UP A PAYROLL GIVING SCHEME?

- Yes. This process is both simple and straightforward

AS AN EMPLOYER, DO I HAVE TO USE A PAYROLL GIVING AGENCY?

- Yes. You have to enter into an agreement with a Payroll Giving agency because of taxation law

HOW CAN WE PROMOTE PAYROLL GIVING WITHIN OUR ORGANISATION?

- Payroll Giving can be promoted in many ways:
 - By selling its benefits, for example, by organising a presentation from a Professional Fund Raising Organisation (PFO) or a charity representative
 - By providing information, for example, via the Staff Newsletter, company intranet, or with payslips
 - By providing updates and feedback
 - By modelling one's efforts on and benefiting from the experience of others

TO WHOM CAN EMPLOYEES MAKE THEIR DONATIONS?

- Employees can donate to any organisation recognised by the Inland Revenue as having charitable status; this includes many good causes such as places of worship, school groups, non-private hospitals, and clubs as well as charities registered by the Charities Commission based in the UK
- A list of registered charities can be found on the Charities Commission's web site at www.charity-commission.gov.uk; this link can be used to search by Registered Number, name, keyword, or geographical area in which they operate

WHAT HAPPENS IF AN EMPLOYEE WISHES TO DONATE ANONYMOUSLY?

- If an employee does not wish their employer to know to which charities donations are being made, the Donation Choice Form can be sent directly to us and we advise the employer of the total amount to be deducted from the employee's gross pay
- In addition, a charity will only be told of the identity of a donor if the employee indicates this when completing the Donation Choice Form

... any further questions? please contact us
on 01822 611 180 or mail@charitablegiving.co.uk



Union Mine Road
Pitts Cleave
Tavistock
Devon PL19 0PW

tel: 01822 611 180
fax: 01822 618 718
email: mail@charitablegiving.co.uk
web: www.charitablegiving.co.uk

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Donation Choice Form

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WHAT IS PAYROLL GIVING?

Payroll Giving is a tax efficient way of giving to charity for anyone receiving pay or a pension subject to PAYE

WHAT ARE THE BENEFITS?

It is beneficial to you as an employee since the donation is deducted from gross pay before the calculation of tax

It is beneficial to the charity as it will receive the tax that would have been sent to the Chancellor of the Exchequer had you made the donation in any other way

HOW CAN I GIVE?

Each pay period, your Payroll Giving deduction can either:

- Go directly via us to your charity by naming it on the attached Donation Choice Form, or
- Be held in an Individual Voucher Account with us until you decide to which charity you wish to donate by selecting it on the attached Donation Choice Form

WHAT DOES A VOUCHER ACCOUNT OFFER?

It is particularly useful to respond to emergency disaster appeals or to make one-off donations as and when is appropriate for you

You can make donations either by sending us your instructions on-line via our web site or by completing a voucher from the Voucher Book provided

WHO CAN I GIVE TO?

You can donate to any charity, church or religious organisation, or charitable organisation, such as village halls, Parent Teacher Associations, hospital radios, etc

WHAT IS REQUIRED OF MY EMPLOYER?

For you to be able to donate through Payroll Giving, your employer must have signed a Payroll Giving Contract with ourselves as a Payroll Giving agency

HOW DO I START DONATING?

After completing the attached Donation Choice Form, either give it to the person responsible for your pay or send it directly to us by post

... answers to some frequently asked questions:

What is the minimum donation I can give?

- The minimum donation is £1 per month to any one charity

Can I give to more than one charity?

- You can give to as many charities as you like provided the donation to each charity is at least £1

When will my donation reach my chosen charity?

- If your donation is deducted from your pay in Month 1, it will be received by us in Month 2 and normally distributed to your charity on the first working day of Month 3

Will all my donation go to my chosen charity?

- If your employer is paying our administration charge to cover the cost of distribution, your donation will be passed in full to your charity; if not, a small administration charge of up to 4% (but no more than £10 per month) will be deducted meaning your charity will receive 96% of your donation

Can I change my donations?

- The amount you have deducted from your pay, you give to a specific charity, or the charities to which you donate can be changed at any time by completing a Donation Choice Form (also available from our web site)

Will the charity be told of my identity?

- The charity will only be told of your identity if you ask us to do so when you complete the Donation Choice Form

Does my employer need to know to whom I am giving?

- No. Your Donation Choice Form can be sent directly to us and then your employer will only be advised of the total amount to deduct from your gross pay

How can I check if my employer operates a Payroll Giving Scheme?

- Either check with the person responsible for your payroll or contact us

... any further questions? please contact us

on 01822 611 180 or mail@charitablegiving.co.uk

DONATION CHOICE FORM



Please complete both Parts A and B:

- To make donations to any recognised charity, church, or charitable organisation under the Payroll Giving Scheme, or
- To open or make contributions to an Individual Voucher Account

Payroll Giving contributions may be divided between any number of charities provided a minimum of £0.25 per week or £1.00 per month is donated to each; if you wish to specify more than three charities, please complete an additional form.

The minimum contribution to an Individual Voucher Account is £10 per month

PART A

Please complete/tick the appropriate boxes and sign and date the declaration below:

I wish to give weekly / monthly to:

<input type="checkbox"/> Charity	Name:	Address (if small or local charity):	Amount: £
<input type="checkbox"/> Charity	Name:	Address (if small or local charity):	Amount: £
<input type="checkbox"/> Charity	Name:	Address (if small or local charity):	Amount: £
<input type="checkbox"/> Individual Voucher Account			Amount: £
Total Payroll Giving Deduction			£

Title: Initials: Surname:

Company/Employer's Name: Payroll/Staff No:

Home Address: Post Code:

Telephone: Email Address:

If you wish to donate anonymously, please tick box

I certify that my Payroll Giving donations are not being made under Deed of Covenant or Gift Aid

Signed: Date:

PART B

Please complete all the boxes and sign and date the declaration below:

Title: Initials: Surname:

Company/Employer's Name: Payroll/Staff No:

Company/Employer's Address: Post Code:

I wish to start/amend/stop* my weekly/monthly* contributions of £ _____ (*delete as necessary)

Signed: Date:

On completion, please return this form to: South West Charitable Giving, Union Mine Road, Pitts Cleave, Tavistock, Devon PL19 0PW



Union Mine Road
Pitts Cleave
Tavistock
Devon PL19 0PW

tel: 01822 611 180
fax: 01822 618 718
email: mail@charitablegiving.co.uk
web: www.charitablegiving.co.uk

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PAYROLL GIVING CONTRACT

- 1 This Contract is between South West Charitable Giving (hereinafter referred to as the **Approved Agency**) and ¹ (hereinafter referred to as the **Agent**)
 [¹ Insert name of company or employer]
- 2 From ², 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 Insert date]
- 3 It is agreed that the **Agent**:
- Under the scheme is constituted the **Agent** of the **Approved Agency** in holding monies withheld from the employees pursuant to the scheme
 - 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
 - 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**
- 4 It is agreed that the **Approved Agency** will:
- Provide the **Agent** such information, documentation and instruction in order that the **Agent** may comply with his duties under the scheme
 - Provide to each employee at his request a certificate of the amounts which the **Approved Agency** has paid to the charities specified and such other information as is requested under the scheme
 - Provide written receipts for all monies paid over if so requested
 - Deduct % ³ of all monies withheld from employees before distribution to charities by way of a charge to cover administration, unless charge is paid by the **Agent** [³ Insert the agreed administration charge, normally 4%]
 - In no circumstances, return sums duly withheld and paid over to them to the **Agent** or the employee
 - 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 so paying that amount to the other charity will give notice to the employee that it has done so
- 5 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

Approved Agency

Signed on behalf of
 South West Charitable Giving

Agent

Signed by, or on behalf of, the Agent

On completion, please return this form to: **South West Charitable Giving, Union Mine Road, Pitts Cleave, Tavistock, Devon PL19 0PW**

EMPLOYER DETAILS

Please complete a separate form for each payroll; if you have more than one payroll, please photocopy this form as many times as required

COMPANY/EMPLOYER (AGENT)

Company/Employer's Name:

Company/Employer's Address: Post Code:

Telephone:

SCHEME ADMINISTRATOR

Contact Name: Position:

Telephone: Email Address:

PAYROLL

Frequency: Quarterly Monthly 4-Weekly Weekly

Tax District: Tax Reference No:

How many people (including Directors) are on the payroll?

PAYROLL PROCESSING

If your payroll is not processed at the above address, eg, by another company or by a payroll bureau, please provide the following details:

Company/Bureau Name:

Company/Bureau Address: Post Code:

Contact Name (Payroll Queries): Position:

Telephone: Email Address:

Your monthly remittance must reach us by the 19th of each month to ensure that we can distribute donations to charities in the first week of the following month. Although payment by cheque is acceptable, electronic transfer is preferred

Do you wish to pay by BACS? YES NO

PLEASE NOTE: Your company name should be used as the reference for your BACS payment

Our BACS details are:
 South West Charitable Giving
 Lloyds TSB
 Sort Code: 30-98-46
 Account No: 00594398

Will the company be paying the administration charge? YES NO

If NO, will the administration charge be paid by the:

DONOR? or ANOTHER ORGANISATION? (please specify):

If YES, the administration charge should be added to the monthly remittance otherwise it will be deducted by South West Charitable Giving from each donation

Is the company "matching", in whole or in part, the employees' donations? YES NO

If YES, please state the basis for your contributions, e.g, 100%, 50% of each donation, or a maximum amount:

Signed: Print Name:

Position: Date:

On completion, please return this form to:

South West Charitable Giving, Union Mine Road, Pitts Cleave, Tavistock, Devon PL19 0PW

Setting up a Payroll Giving scheme is simple!

Have you?

- Received an Employer's Pack or downloaded a copy from our web site at www.charitablegiving.co.uk

- Completed and signed the:
 - Payroll Giving Contract (Form A)
 - Employer Details (Form B)

- Returned, by post, both Forms A and B to:

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

- Received a countersigned Payroll Giving Contract from South West Charitable Giving

- Appointed a Scheme Administrator

- Provided the Scheme Administrator with a copy of the Scheme Administration Checklist and the Information Sheet

If you have any questions, you may find the answer on our web site at www.charitablegiving.co.uk

Alternatively, please contact us:

By phone: 01822 611180
By email: mail@charitablegiving.co.uk
By post at: Union Mine Road,
Pitts Cleave,
Tavistock,
Devon PL19 0PW

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Administering Payroll Giving

This sheet provides details about how to administer 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 South West Charitable Giving, the **Payroll Giving Contract** (Form A), and
- A form providing details of the Company's payroll(s), the **Employer Details** form (Form B)

2 Before payroll deductions can be made, an employee must have completed a **Donation Choice Form**, provided by South West Charitable Giving (Form C), an employer, a Professional Fund Raising Organiser (PFO), or a charity.

Completed forms may be sent either to South West Charitable Giving or to the employer's pay office. If the form is sent to South West Charitable Giving, we will forward the authorisation to the employer's pay office to make payroll deductions; if the form is sent to the employer's pay office for initial recording, the pay office will then forward the completed form to South West Charitable Giving.

All forms are stored electronically by South West Charitable Giving.

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 **must be sent directly** to South West Charitable Giving

4 Payroll deductions:

- May be made from weekly, four-weekly, monthly, or quarterly pay as well as one-off donations
- Are made from gross pay, before the calculation of tax as a normal deduction from pay. National Insurance still applies to gross pay

5 Each month's remittance of payroll deductions must be sent to South West Charitable Giving **by the 19th day of the month following the PAYE month** to ensure that donations can be distributed to charities in the first week of the following month. Although remittance by cheque is acceptable, **direct credit, e.g. by BACS, is preferred**

6 Each month's remittance should be accompanied by an itemised listing of total donations by employee as well as any administration charge and matched amounts. Listings may be provided in printed, email, or electronic (e.g. *.csv or MS Excel) formats

If you have any questions, you may find the answer on our web site at www.charitablegiving.co.uk

Alternatively, please contact us:

By phone: 01822 611180
 By email: mail@charitablegiving.co.uk
 By post at: Union Mine Road,
 Pitts Cleave,
 Tavistock,
 Devon PL19 0PW

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Administering Payroll Giving is easy!

Initial Set-Up

- Advise South West Charitable Giving of Scheme Administrator's details, including name, initials, title, position, telephone number, and email address
- Ensure that each subscribing employee has completed a Donation Choice Form
- Record payroll giving deduction details from the Donation Choice Form
- Send either the original or a copy of each Donation Choice Form to South West Charitable Giving
- From the information on the Donation Choice Form, obtained either directly from the employee or indirectly from South West Charitable Giving (for those employees who wish to donate anonymously), set up payroll giving deductions on the payroll system

Month 1

- Complete payroll processing, including payroll giving deductions
 - Calculate administration charge and/or matched funds if they are paid by the employer
 - Prepare itemised listing of total donations by employee detailing: payroll reference/staff no; initials; name; and, amount deducted as well as any administration charge and matched amounts; in addition, the listing should also highlight **starters, leavers**, as well as any **change of name**
- Listings may be provided in printed, email, or electronic (e.g. *.csv or MS Excel) formats
- Send total deductions (plus any administration charge and/or matched funds, as appropriate) to South West Charitable Giving **by the 19th day of the month following the PAYE month, preferably by direct credit; our BACS details are:**

South West Charitable Giving
 Lloyds TSB
 Sort Code: 30-98-46
 Account No: 00594398

Cheques should be made payable to South West Charitable Giving

Month 2 onwards

- Ensure each new subscribing employee has completed a Donation Choice Form
- Ensure that existing subscribing employees who wish to amend their payroll giving deductions complete a Donation Choice Form
- Send either the original or a copy of each Donation Choice Form to South West Charitable Giving
- From information on the Donation Choice Form, obtained either directly from the employee or indirectly from South West Charitable Giving (for those employees who wish to donate anonymously), set up payroll giving deductions on the payroll system
- Complete Month 1 procedures

If you have any questions, you may find the answer on our web site at www.charitablegiving.co.uk

Alternatively, please contact us:

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 By email: mail@charitablegiving.co.uk
 By post at: Union Mine Road,
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