

Employers Guide to Payroll Giving Schemes

Help TEN local Charities by Offering Payroll Giving

YOU can help **TEN** local charities raise funds through Payroll Giving.

If your business is looking for ways to engage with the local community, getting involved with 10together can help you do this!

Who are 10together?

10together is a partnership of TEN local charities who have joined together to share funds raised through Payroll Giving.

What is Payroll Giving?

Payroll Giving is a scheme which allows employees to donate to UK charities through their salary. Donations are deducted from employees' salaries before tax, meaning that it costs your

employees less to give more. Donating £1 costs just 78p* if they give in this way.

Your staff could join over half a million people in the UK who already give to charity through Payroll Giving each year.

Payroll Giving and You

In the following guide we give details of how to set up a Payroll Giving Scheme. Once set up, employees can donate to any charity they like, though obviously we are hoping you'll support 10together by allowing us to run a staff promotion. Every £1 donated is split TEN ways allowing you and your staff to support TEN local causes.



Approximately 42% of people questioned in a survey said they would be likely to donate to charity using payroll giving if their employer offered the scheme.

Source: CAF and RBS Group

Benefits of Payroll Giving

Having a Payroll Giving Scheme in place allows your employees to donate to any UK charity of their choice.

Benefits for Your Business:

- enhanced reputation with staff, clients and customers
- local PR
- supporting local causes without donating directly
- community engagement
- fits into Corporate Social Responsibility activities
- easy to set up and inexpensive to run.

Benefits for Your Staff:

- easy to give - comes directly from salary
- tax efficient so the charity get more - as a standard rate tax payer it costs only 78p* to give £1 to charity - the tax office make up the difference. See the illustration below:



* amounts may vary with changes in tax bands.

Setting Up a Payroll Giving Scheme

Payroll Giving Schemes are quick and easy to administer once set up. Having the scheme in place allows your employees to donate to any UK charity of their choice, in a tax free way.

In order to set up a scheme you must sign an agreement with a HM Revenue & Customs approved Payroll Giving Agency who register you as a UK

employer offering Payroll Giving and administer your employee donations.

This is simple to do and should only take about 10 minutes a month to administer once set up. Most agreements (often called contracts) are available on their websites - addresses on the front page.



Selecting a Payroll Giving Agency

First, you need to register your business with a Payroll Giving Agency (PGA) and complete and return their contract.

There are nine PGA's registered with HM Revenue & Customs, though three main ones (detailed overleaf). We recommend South West Charitable Giving's Scheme Charitable Giving.

All are approved to administer your employees' donations and ensure the legitimacy of the employees' chosen charities, passing the monies on accordingly. A small charge may be taken from employees' donations

(usually between 25p and 4% of the donation figure) to cover the cost of administration. Some employers cover the cost of this for their employees. You could even think about matching your employees' donation to make it go even further.

Your chosen PGA will supply you with all the necessary help and advice to get set up and will then register you as an employer offering Payroll Giving. They will contact your Payroll Manager and tell them what information they will need.



Choosing a Payroll Giving Agency

Contact details for the three main Payroll Giving Agencies are given below. Please visit their websites for further information. They will be able to help you get set up. For a full listing of Payroll Giving Agencies and their services, visit www.hmrc.gov.uk/payrollgiving

South West Charitable Giving

Union Mike Road
Pitts Cleave
Tavistock, Devon
PL19 0PW

Tel: 01822 611180

www.charitablegiving.co.uk

Charities Trust

Suite 22 Century Building
Brunswick Business Park
Tower Street
Liverpool
L3 4BJ

Tel: 0870 708 7878

www.charitiestrust.org

Charities Aid Foundation

Kings Hill
West Malling
Kent
ME19 4TA

Tel: 01732 520 019

www.cafonline.org



Promoting Your Scheme

Your scheme will only be a success if you promote it well to your employees. Here are a few ideas:

- have a promotional day where staff can talk about their favourite charities
- find a “staff champion” - someone to undertake the role of making sure people are aware of the scheme
- include Payroll Giving in your staff induction pack
- give your employees a donation form and email them giving them details of who to speak to if they are interested in giving this way
- to show real commitment consider covering the administration costs of a donation or matching.

Invite 10together to Run a Free Promotion to Your Staff

10together will be happy to run a promotion for your employees at your site. We will work with you to promote Payroll Giving and in particular these

local charities, speak with your staff, set up a stand with brochures etc. Visit the employers section of the 10together website at www.10together.org.uk for further information as well as to download PGA Agreements, contacts and donation forms.



10together promotional literature



The Quality Mark

Launched in January 2006, the Payroll Giving Quality Mark recognises and rewards organisations for making Payroll Giving available to their staff.

Comprising a certificate and logo, as well as Bronze, Silver and Gold Awards, the Quality Mark aims to provide UK charities with sustainable income streams by increasing participation in Payroll Giving.

Once you set up a Payroll Giving scheme, you will automatically receive a certificate as well as a logo for use on your letterheads, websites and other company literature. These acknowledge that you have

implemented Payroll Giving and demonstrate (both within your organisation and publicly) that you are committed to the good causes your employees care about.

Awards are for organisations achieving a minimum staff participation rate and employer support in Payroll Giving. These range from Bronze at 1% employee participation to Gold at 10%. Your PGA will monitor the employee participation rates you have achieved by March each year and allocate an Award in line with criteria.



What to Do Once You Have a Donation



Over half a million people in the UK Give to Charity through Payroll Giving each year.

In order to donate, your employees must complete a donation form provided by your PGA and give it to the Payroll Manager. Alternatively you can use a 10together donation form.

Once an employee has chosen to give this way you will need to make the necessary deductions from their salary. All modern payroll systems should be able to facilitate deductions, usually as a simple tick box option. Your payroll staff will deduct the amount, as per any other pre-tax deduction (after National Insurance, but before tax) and forward it on to your PGA, telling them what money is going to which charities. This is usually done via BACS.

What the PGA will Do?

Your PGA will then administer the donations to the charities, as instructed by your employees.

If an employee wishes to stop, they should let the Payroll Department know in writing. If an employee leaves, their deduction will simply stop the last time you pay them.

What Records Need to be Kept?

- your agreement with your PGA
- forms your employees complete authorising you to make donations from their pay
- deductions made from each employee's pay
- all receipts from the Payroll Giving Agency.

Your PGA should be able to help you with queries on any of the above.



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More Information

How to Contact with 10together:

If you would like any further information about 10together please take a look at the website or get in touch.

C/O Voluntary and Community Action South Bedfordshire
Bossard House, West Street
Leighton Buzzard
Bedfordshire LU7 1DA

Web: www.10together.org.uk
Email: info@10together.org.uk
Tel: Partnerships Officer on 01525 850559

For further Information:

The following websites will give you more information on Payroll Giving:

www.payrollgivingcentre.org.uk
www.hmrc.gov.uk/payrollgiving/
www.institute-of-fundraising.org.uk

Who does 10together Support?

10together is about *keeping charity local*

10together is a local charity partnership allowing donations from employees in South Bedfordshire to be spent on activities in their local communities. It also allows TEN charities to benefit from just one donation.

The 10together Charities are:

- Leighton Buzzard and District MENCAP
- The Greensand Trust
- Voluntary and Community Action South Bedfordshire
- SORTED
- Leighton Buzzard Railway
- Sight Concern Bedfordshire
- Bedfordshire Wildlife Rescue

- The Disability Resource Centre
- Home-Start South Bedfordshire
- Hospice at Home Volunteers

More information about these charities is available on our website at www.10together.org.uk