

An Employer's Guide to Payroll Giving

This guide tells you all you need to know about Payroll Giving.
PAYROLL GIVING QUALITY MARK scheme for UK employers



How to use this Interactive PDF

Simply click on the appropriate chapter in 'Contents' for quick navigation through this interactive document, and then use the forward and back buttons (in the top right hand corner of each page). The 'Contents' button (in the top left hand corner of each page) will return you to the Contents page.

All weblinks and email addresses are interactive. Click on any weblink or email address; the cursor changes to a pointed finger whenever you touch anything interactive on the page.

To print the PDF, press **ESCAPE** on your keyboard. This will allow you to view the PDF in Acrobat Reader where you have access to the Acrobat toolbar incorporating the print tools.

to view a printable version of the PDF.

Please note: We advise you to use the latest version of Adobe Acrobat Reader (currently version 7) to enjoy full functionality of this PDF. Access to the relevant web links and email addresses can only be obtained interactively from version 6 upwards.

You can find the latest version of Adobe Acrobat Reader on their website.

For free visit download, visit



Introduction

No matter what line of business you are in, employers across the world increasingly recognise corporate social responsibility (CSR) as a crucial consideration in modern-day business.

From paper recycling and buying fair trade office supplies, to fully-fledged CSR programmes, the majority of employers are already taking steps to minimise damage and to make a positive impact, wherever possible.

But, for smaller businesses, corporate social responsibility can seem to be a luxury. Resources are tight and budgets stretched yet the cost of ignoring such key issues could be even greater. These days, CSR and corporate community investment makes good business sense.

Which is why Payroll Giving is an easy starting point, whatever the size of your business. Requiring minimal cost or administrative resource, more and more employers are now making tax-effective payroll donation schemes available to their staff. Through Payroll Giving, employers enable their employees to support the good causes they care about and to get tax relief at the same time.

So what's in it for you? The voluntary sector performs the vital role in UK society of delivering essential services that benefit local communities and businesses alike. From saving lives to developing the entrepreneurial spirit that drives tomorrow's business leaders, there are numerous ways that charities protect and impact upon UK society and your support is essential to see this work continue. Payroll Giving provides even the smallest businesses with an opportunity to play their part in generating a regular, reliable income stream to UK charities.

The new Payroll Giving Quality Mark aims to encourage more employers to foster a culture of giving in the workplace by making tax-effective payroll donations available to their employees and promoting the scheme annually. Payroll Giving is good for business and a real benefit to offer employees.



An Employer’s Guide to Payroll Giving

This guide outlines all you need to know
about Payroll Giving and the new Payroll
Giving Quality Mark.

Contents



ABOUT PAYROLL GIVING

About Payroll Giving

This section explains what Payroll Giving is and how the Quality Mark scheme works.

What is Payroll Giving?

Payroll Giving is a scheme that enables your employees to give to any UK charity straight from their gross salary (before tax is deducted), and to receive immediate tax relief of up to £4 for every £10 donated.

Payroll Giving gives you the opportunity to:

- Improve staff morale, recruitment and retention
- Generate income for good causes
- Enhance your community involvement profile
- Make it easy for your employees to give tax-efficiently

Each year, £86 million is raised for UK charities through Payroll Giving from employees alone. More than 600,000 employees take part and over 7,800 employers have signed up to the scheme. In the last year alone, the number of small and medium-sized businesses offering the scheme to staff has more than doubled.



How does the Tax Break Work?

Employees paying basic rate income tax at 20% can give a £10 donation at a cost of just £8.00 (or £6 for higher rate taxpayers).

The table below shows how the tax break works across donations of varying amounts.

Employee pledges	Cost to standard rate taxpayer (20%)	Cost to higher rate taxpayer (40%)
£5	£4.00	£3.00
£8	£6.40	£4.80
£10	£8.00	£6.00
£15	£12.00	£9.00

Donors can give any amount; a one-off sum or a regular monthly or weekly pledge.

NB Tax rates may change. The table was produced April 2008.

What are the Benefits?

Quick and easy to set up and administer, Payroll Giving is a great way for you to demonstrate commitment to the causes that your employees care about.

The business case

The most highly recognised business benefits of offering the scheme to staff are that it:

- Generates sustainable income streams for good causes
- Is a perk to offer employees, the employer makes it easy to give tax efficiently
- Aids recruitment and retention of employees
- Provides a vital level of support for local charities that you may not otherwise be able to afford
- Improves the organisation's public image and boosts staff morale
- Demonstrates corporate social responsibility

- Shows commitment to good causes in the local community and beyond
- Positively influences business to business relationships
- Enables employers to monitor the level of charitable giving your organisation has generated
- Has virtually no set up costs in signing up to the scheme and all modern payroll systems can handle the donation systems.

And now, with the Quality Mark scheme, employers that sign up to Payroll Giving are recognised and rewarded with a certificate, logo and Awards, demonstrating their commitment to good causes by facilitating employee giving.

WHAT ARE THE BENEFITS?

Niamh Collings, Reward Manager, Arcadia Group Ltd, says:

“Payroll Giving is such an easy scheme to set up and run. Key to success is establishing a good relationship with a PFO to ensure you maximise promotional opportunities to your employees.

Alongside this, so long as your payroll team are on board to process payments and you actively promote the scheme in a variety of ways to employees, that really is all there is to it.

The benefits are fantastic, not only will you help a huge range of charities raise money in a tax-efficient way but as an organisation it will demonstrate your commitment to fundraising and complement your CSR strategy.”

For charities?

Payroll Giving provides charities with regular, reliable donations that allow them to plan ahead and budget for the future. Employees often continue to donate for many years and the regularity of those gifts in means charities can budget accordingly. Payroll donations enable charities to save lives, to provide vital services, to protect heritage sites, wildlife and animals, and much more.

Michael Auton, Community Fundraiser Manager at the Meningitis Trust, comments:

“As a charity we are very encouraged by the consistent income we receive from Payroll Giving. The regular income we have received has helped us plan and carry out projects safe in the knowledge that our funding is secure.”

For employees?

Payroll Giving is an easy, tax-effective way to give to charity, costing employees less to give more. The system is easy to opt in and out of, giving donors full control over their giving. All they have to do is fill in one simple donation form, on which employees can choose to donate any amount to any UK charity or charities. Many employees choose to donate to more than one charity.

Linda Harper, a Royal Bank of Scotland (RBS) employee from Edinburgh:

Linda gives £10 per month to the National Eczema Society, which by the time RBS has double matched the amount, means the charity receives £30 per month. Linda said, “Payroll Giving is an easy and tax efficient way to donate to charities and as my daughter has suffered from severe eczema since birth, it was a natural choice for me to support this charity.”

What is the Payroll Giving Quality Mark?

The Quality Mark comprises a certificate and logo, with Bronze, Silver and Gold Awards available for employers that demonstrate outstanding commitment in Payroll Giving.

At its most basic level, you will receive a certificate and logo for use on your letterheads, websites and other literature simply for making Payroll Giving available to your staff. This acknowledges that you have implemented Payroll Giving and shows your commitment to the good causes your employees care about.

The Awards symbolise outstanding commitment, recognising those employers that are making a difference together through Payroll Giving, benefiting good causes and employees alike.

Awards are available for organisations that achieve participation rates and employer support as outlined below:

- **Bronze Award** – 1%–4% employee participation in Payroll Giving
- **Silver Award** – 5%–9% employee participation in Payroll Giving
- **Gold Award** – 10% employee participation in Payroll Giving and pay the administration charge, match donations or demonstrate that they have carried out an active promotion of Payroll Giving during the past 12 months.

Each Award is displayed as a co-ordinating certificate and logo for use on letterheads, websites and other corporate literature.

The allocation of Awards varies slightly depending upon which Payroll Giving Agency you use. At the end of March each year your PGA will be able to establish the employee participation rates you have achieved during the financial year and allocate an Award in line with the above criteria. This will depend upon whether they have up-to-date information about your organisation. If you are eligible for an Award, your PGA will issue it between April and June each year.

Alternatively, to find out how you will be informed of the process for the allocation of the Awards you can approach your PGA directly.



PAYROLL GIVING IN YOUR WORKPLACE

Payroll Giving in your Workplace

This section tells you how to set up a Payroll Giving scheme.
*If you already offer Payroll Giving to your employees,
go straight to the section of this guide.*

How to Set Up Payroll Giving

To set up a Payroll Giving scheme, all you have to do is sign up with a Payroll Giving Agency (PGA), who will process the donations on your behalf, and to let your staff know that they can now give tax-effectively through the payroll.

There are a number of HM Revenue & Customs (HMRC) registered PGAs to choose from. [Click here](#) for a list of PGAs. All PGAs are themselves registered charities.

As a matter of course, the PGA validates nominated charities to ensure their legitimacy and then disburses the donations, as well as any matched funds which the employer might like to give.

Most PGAs make a small administration charge of between 0% and 4%, which is deducted from employees' donations before they are distributed to the charities. Many employers support their employees by paying this fee so that 100% of their donations go to the charity.

Payroll Giving on the Payroll System

All modern payroll systems can facilitate Payroll Giving, usually as a simple tick box option.

Once you have signed a contract with a PGA you can commence the deductions authorised by your staff. Donations are taken from pre-tax pay, after calculation of National Insurance contributions but before tax is deducted. Your payroll department or payroll bureau simply processes the deductions and forwards all donations to your PGA usually once a month, including a list of people that have donated and the amount they have had deducted during that period. This list confirms the name of those participating employees and the amount that has been deducted each week or month. If you use an outside bureau check to see if they will make any additional charge for this deduction.

All new donors must complete a donation form and the forms should be forwarded to the PGA by the employer or the employee; money cannot be distributed unless that form has been received by the PGA. If an employee chooses to support more than one charity, he/she only needs to fill in one donation form. The payroll department or bureau deducts the total amount of the donations and it is the PGA that breaks this down and distributes the relevant amounts to the recipient charities. Your PGA will give you further advice and support about running your Payroll Giving scheme smoothly and what to do if you would like to match your employees' donations.

There are no tax forms for you or your employees to complete and record keeping is straightforward. Employees will see the pre-tax deduction indicated on their payslips.



What are the Costs?

Most employers say that there are no identifiable costs of putting schemes in place.

Those that do attribute an expense in setting up the scheme usually say that it is between £100 to £200 (including staff time) to set it up.

What do Employees Need to do?

Employees simply complete one form identifying how much they wish to give to which charity or charities.

Their payslips will then display the donation alongside any other payroll deductions that employees may have signed up to, e.g. a pension deduction. They can change the amount or recipient of their donations at any time. Donation forms are provided by your PGA, or depending upon how you promote the scheme (see the yellow section of this document), by a Professional Fundraising Organisation (PFO), charity or charity consortium.

Case Study

The London branch of Atari, the UK arm of Atari Inc – a subsidiary of Infogrames Entertainment SA – sells computer and video games. Atari's scheme, which is administered by Workplace Giving, began in September 2005.

The scheme was promoted using in-house posters and an email to each employee, inviting them to a talk by Workplace Giving. Seven out of Atari's 27 employees donate an average of £14 a month through Payroll Giving, generating around £98 per month.

Jeremy Wigmore, Managing Director of Atari UK, says:

"Payroll Giving is an excellent way to promote regular reliable benefit to charity and even if our employees already give, this is a tax-efficient way to maximise their gift. Easy to set up and administer, Payroll Giving is a key part of our corporate social responsibility, helping us to show support for the good causes our employees care about."

Implementing A Successful Payroll Giving Scheme

There are many ways to aid successful implementation of this scheme.

Top tips

- Obtain management support – Organisations that are most successful with Payroll Giving have almost always had buy-in from senior management. Many managers are regular payroll donors themselves and often spearhead promotions
- Set a target – Aim for achievable employee participation rates and publicise this target internally. Why not 'Go for Gold', aiming to attract 10% of your staff to the scheme and strive towards a Payroll Giving Gold Award
- Highlight success – Monitor Payroll Giving take-up against those targets and publicise successes to your staff. They will want to hear how much has been raised and this can help reinforce the sense of working together towards a common goal
- Match employees' donations – Donors like to see that their employer is doing their bit too, so if you can afford to match or add to your staff's donations, this can be a powerful incentive for employees to take part. Matching ensures that your corporate donations go towards those charities that your employees care about. Remember your organisation can offset any donations made to charity against corporation tax
- Pay the PGA administration charge
- Active promotion to your employees – A strong launch and regular promotions are essential to ensure staff participation.

For more information on any of the above call
0845 602 6786.



Promoting Payroll Giving

**This section tells you how to promote Payroll Giving
to your staff, encouraging you to strive towards
10% employee participation and the Gold Award.**

Planning your Promotion

The key to a successful Payroll Giving programme is regular promotion to your staff.

As an employee benefit, Payroll Giving should become an integral part of your ongoing recruitment and induction processes. But, first, you will need to launch it to your employees. This promotion should then be repeated at least once every 12 months, to remind employees that the scheme is available to them. Assistance and advice in promoting the scheme is available from your PGA, from Professional Fundraising Organisations (see following page) or from the Payroll Giving Centre.

How to Promote?

There are three main ways of promoting Payroll Giving and they are:

Internal promotion

Peer-to-peer influence can be a highly effective promotional strategy for Payroll Giving. An enthusiastic, motivated individual or group of staff can act as your in-house 'charity champion(s)', promoting Payroll Giving to colleagues. This can be a very successful approach and your Payroll Giving Agency (PGA) will always be able to provide additional help and guidance.

If your employees are already involved in some fundraising activity (e.g. Christmas campaigns, marathon sponsorship, emergency appeals etc., national giving initiatives), remember to tell them that they can support them with one-off payroll donations, in addition to any regular weekly or monthly gifts.

In this way, they will be able to benefit from the tax relief that is unique to Payroll Giving.

Work with a selected charity or consortium of charities

Invite a representative from a charity or group of charities (a consortium) to present their cause and the Payroll Giving scheme to your staff. Working with small local charities or the regional branch of a national charity may provide the necessary impetus to engage employees to collectively support the work of that cause. Your employees are still free to choose whether they wish to support those charities or any other registered charity of their choice.

Work with a Professional Fundraising Organisation

While a PGA can offer advice on how to promote the scheme to staff, employers can also ask a Professional

Fundraising Organisation (PFO) to help design and implement the promotion. PFOs specialise in workplace fundraising, sending out teams of trained fundraisers who visit organisations and tell staff about Payroll Giving, answer queries and carry out the sign-up process, thus relieving busy managers of an additional task at no cost to the employer.

Generally, they represent a 'basket' of charities that are likely to appeal to your employees but, as always, your employees can choose to support any UK charity through the scheme. This approach is particularly successful in organisations employing more than 100 people where internal resources might be limited. Approximately 80% of payroll donors have signed up as a result of organisations working with PFOs.

We recommend that employers work with PFOs in membership with the Association of Payroll Giving Professional Fundraisers. [Click here](#) for a list of PFOs.

Getting Started

Employers can launch Payroll Giving to employees in a number of ways and a mixed approach, combining group presentations, emails to staff and noticeboard promotion, is a good way to start.

Top tips

- Begin with a high profile launch of the scheme to encourage staff to participate and promote the launch beforehand
- Integrate Payroll Giving within your staff induction pack and, remember that Payroll Giving can also help project a positive corporate image to potential employees, so you may want to give it a mention in recruitment packs
- Set a calendar of ongoing promotional activities for Payroll Giving, timing promotions to follow bonus payments or at traditional 'charitable' times of the year, such as Christmas or during national initiatives
- Ensure the scheme is introduced to your employees face-to-face and that promoters carry donation forms enabling donors to sign up there and then
- Make sure that all line managers, relevant senior staff and Union representatives if appropriate, know exactly what is going to happen and when
- Support should come from senior management, as well as relevant human resources, payroll and corporate affairs staff where appropriate
- Use a mix of communication methods to publicise Payroll Giving to your employees and to continue promoting the scheme regularly
- Consider using a PFO, charity or charity consortium to help with your promotion
- Package Payroll Giving with any other community investment initiatives
- Thank your employees and celebrate their contributions. Use your success stories as a positive PR opportunity.

What to Include in your Promotions

Payroll Giving is a donation scheme that sells itself once you tell employees what it is and how it works. But, remember to keep it simple. Use a clear, straightforward explanation:

Payroll Giving is an easy way to give regular support to the charities you care about straight from your salary and you get tax relief on your donation at the same time.

When planning a promotion, you will need to ensure that the following details are included:

- What Payroll Giving is, including details of how the tax relief works
- What employees will see on their payslips, an overview of how the process works and information about how to change or cancel the donation

- That employees can support any UK charity or charities
- An explanation of how easy it is to give – all employees need to do is complete a simple form
- How Payroll Giving fits within any community investment programme you might have
- [Where relevant], that the employer matches or supplements donations and/or pays the administration fees
- The Quality Mark logo or Award branding relevant to your organisation.



Practical Ideas for Promoting Payroll Giving

Some practical ideas for promoting Payroll Giving:

- Presentations – Invite staff to attend group presentations about Payroll Giving. The presentation can be given by a representative from a PFO, a charity or a member of your own staff who is keen to talk to peers about the scheme
- One-to-one desk promotion
- Charity champions
- Newsletters – Include information in internal publications such as company newsletters
- Emails – Email employees information about Payroll Giving to encourage participation and attach donation forms where possible
- Intranet – Host information on the company intranet that enable staff to donate at the 'touch of a button', where possible
- Flyers or promotional materials – Leaflets to promote Payroll Giving to your employees are available from the Payroll Giving Centre
- Bulletin board promotions – Ensure Payroll Giving is visible in the workplace with regular bulletin board promotions that tell employees who to speak to about Payroll Giving
- Screen savers – Upload information about Payroll Giving to feature as employees' screen savers
- Payslips – Insert flyers about Payroll Giving with your employees' payslips and thank you notes can be similarly inserted when employees sign up to the scheme
- Canteen tray liners – If your staff eat together in a canteen, why not print off some promotional sheets to be used as tray liners.

Motivating your Employees

There are many ways in which you can help generate enthusiasm towards Payroll Giving amongst your staff. Depending upon the size of your organisation and the resources available promotional techniques can vary extensively. Some good ideas are:

- Set a goal to challenge employees to achieve new levels of participation and generosity
- Invite employees to vote for a 'charity of the year', but ensure that donors know that they can support any UK charity of their choice
- Hold free prize draws for employees who sign up to Payroll Giving
- Publish cross-department/division/location league tables showing how much each has raised through payroll donations
- Match or add to employees' donations; pay administration fee
- Make the whole process fun, tie it in with a 'dress down' day, treasure hunt, job swaps, free sweeties or buns at tea-time, 'Guess how many' competitions and small giveaways.



Celebrate and Publish Success

It is important that you celebrate the success and growth of the scheme.

Communicate regularly with your staff before, during and after the promotion, and host regular meetings to discuss the progress of Payroll Giving with various staff representatives.

After promoting Payroll Giving, make sure you monitor the level of contributions and regularly thank employees for their generosity by using thank you posters. Publish the results in in-house magazines and on your intranet. These are essential steps in order to create a sense of pride in what your employees have achieved together, to generate a stronger sense of organisational giving and to encourage more people to participate in the scheme.

Promoting Payroll Giving Externally

Payroll Giving is a good news story for all parties: employees, stakeholders, customers, suppliers and the general public.

So, make sure you tell all these audiences about your success. Once you sign up to Payroll Giving, you will receive a Payroll Giving Quality Mark to apply to your promotional materials. Use the logo to help publicise your success with the scheme, providing an explanation as to how Payroll Giving works and why you provide this service for your staff.

The Payroll Giving Quality Mark logo is a sign of best practice, enabling your organisation to demonstrate your commitment to the good causes that your employees care about. Displaying the logo sends out very positive messages to your customers about the kind of employer you are. Place the Quality Mark or Award certificate up on the wall in your workplace. You can order more certificates for other branches or divisions via the website or your PGA.

Display the Quality Mark or Award logo in any of the following:

- Corporate literature
- Online at the organisation's website
- Headed paper
- Press releases
- Recruitment advertisements
- Staff induction packs
- Intranet
- Email footer
- In all Payroll Giving promotional literature to employees



PROMOTING PAYROLL GIVING EXTERNALLY

Why not share the good news with your sector and local press? For ideas about how to get your story into the press and to download press release templates visit:

Gold Quality Mark Award winner

Martin Cutbill, Business Development Director and Head of Hitachi Capital's Charity Committee, says:

"Hitachi Capital places a high priority encouraging charitable activity by all our staff, and the company has a history of matching, pound for pound, all monies raised. The Payroll Giving scheme substantially boosts the funds going to our charities due to the tax effectiveness. The take up has been fantastic and it is great to see the generosity of our people has been recognised with this award."

Further information and guidance is available from the Payroll Giving Centre at Payroll Giving Agency.

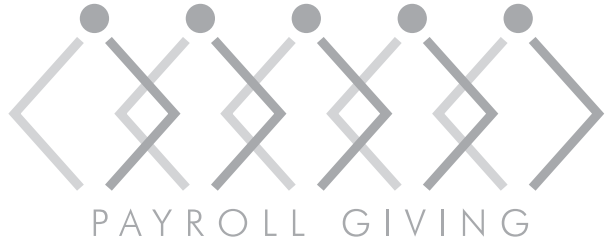
MAKING A DIFFERENCE TOGETHER



GOLD AWARD 2008



SILVER AWARD 2008



BRONZE AWARD 2008



Please contact

for a link to the 2008 Gold, Silver and Bronze logos.



FREQUENTLY ASKED QUESTIONS

Frequently Asked Questions

SCALE

About Payroll Giving

Which charities can employees give to?

Employees can give to any UK-based registered charity or charities simply by completing one donation form. The employer only makes one deduction for each employee's total donations and the Payroll Giving Agency (PGA) distributes the amounts to the recipient charities. Many employees choose to donate to more than one charity. There is no limit on the amount you can give.

How does Payroll Giving differ from Gift Aid?

Payroll Giving amounts are taken from pre-tax salary and therefore employees benefit from income tax relief (at the appropriate rate) on their donations.

Gift Aid is a system where charities can reclaim the tax that a donor has already paid on post-tax donations. Many employees choose to give by both mechanisms, it largely depends upon how the money is being raised and in which environment.

Why is Payroll Giving so important for charities?

The real benefit of Payroll Giving for charities is that it forms a sustained, regular income stream that charities can rely on and budget ahead for.

Can the employer nominate a charity partner?

The employer can certainly nominate a charity to promote to their employees, but employees must be notified that they can choose to support any UK charity, not only the one being promoted.



ABOUT PAYROLL GIVING

Changing post-tax giving to pre-tax Payroll Giving

Some employers already make post-tax deductions from pay. It is easy to convert these donations to Payroll Giving to allow your employees to benefit from tax relief on their donations.

To find out more call **0845 6026786**.

I am self-employed – can I give to charity through Payroll Giving?

Donors must be on a PAYE scheme to give through Payroll Giving. However, if you are a self-employed person that employs others whose income tax is calculated via PAYE, you can still put a scheme in place for your employees.

I only employ a few people, is my organisation too small to offer a scheme?

You only need to have one employee to offer a Payroll Giving scheme, no organisation is too small. Indeed the best participation results come from organisations with between one and nine employees as it's much easier to get to talk to everyone and be eligible for a Gold Award.

Signing Up to Payroll Giving

Why should businesses offer Payroll Giving to staff?

Payroll Giving is vital for charities and there are real advantages for businesses too. This is a great way for employers to demonstrate social responsibility and their commitment to good causes in the local community and beyond, and it can be a real perk to offer employees. There are virtually no set-up costs in signing up to the scheme and all modern payroll systems can handle the donation systems.

And now, with the new Quality Mark scheme, employers that sign up to Payroll Giving are recognised and rewarded with a certificate, logo and Awards, demonstrating their commitment to good causes.

What does an employer have to do if they want to sign up?

Payroll Giving is easy for employers, all you have to do is sign up to a Payroll Giving Agency (PGA) who will do all the hard work for you, distributing donations to your employees' chosen charities. Almost all payroll software accommodates Payroll Giving, making it easy to set up and administer. There are a number of HMRC-registered PGAs and these are all listed online at

If you prefer, we can make contact with a PGA for you to save some of your valuable time, just register online and we'll arrange for one to get in touch.

How much does it cost to put a scheme in place?

Most employers say that there are no identifiable costs of putting schemes in place. Those that do attribute a cost to the scheme usually say that it costs between £100 to £200 (including staff time) to set it up. If you have fewer than 500 employees, you could get a grant of up to £500 simply for signing up to the scheme – but only if you sign up before the end of 2006. For more information visit

How much do PGAs charge?

Most PGAs make a small administration charge (0-4%) to cover their costs, which is deducted from the employee's donation before they send donations on to the recipient charities. A growing number of employers choose to pay the administration charge on behalf of their employees to ensure that their full donation is received by the charity. All PGAs are registered charities, so any administration charges made remain in the not-for-profit sector.

Why do we need to sign a Payroll Giving contract with a PGA?

A contractual agreement is a legal requirement because your employees are benefiting from tax relief on their gifts. The contract will secure your working relationship with a PGA and provides HM Revenue & Customs (HMRC) with the necessary audit trail for pre-tax payroll deductions. Once it is signed and returned to the PGA you can commence deductions.

The contracts are very simple and contain all the relevant information to comply with the legislation surrounding pre-tax deductions from pay and the role of the PGA. By signing the contract, the employer commits to making deductions on behalf of employees that wish to participate in the scheme and to forward these monies to the PGA each month.

How long is all this going to take?

Most employers say that it took less than two hours to set up the scheme and start the deductions. You can offset any administration costs or promotion costs against tax.

What is a PFO and what is the benefit of working with one?

Many medium-sized and larger employers choose to use a Professional Fundraising Organisation (PFO) to promote the Payroll Giving scheme to staff members. PFOs can save the employer time and presents the scheme to employees in an informed, unbiased way. PFOs represent a 'basket' of charities and will come into your place of work to promote Payroll Giving to your staff. Employees can choose to donate to any UK registered charity. [for list of PFOs.](#)

Payroll Giving Forms

What is a Payroll Giving mandate (also known as a donor instruction form, authority to deduct, or charity choice form)?

This is a form that an employee must complete to authorise the employer to make deductions from pay. Employees simply complete one form, identifying the names of the charity or charities they want to support and how much they wish to give.

What happens to the Payroll Giving instructions/mandates/forms?

The employer simply forwards the completed forms to the PGA so that they know which charities receive the money from each employee's pay. If the promotion has been carried out by an external organisation (charity, consortium or PFO) they will often forward the forms to the PGA to save you time.

Can an employee keep their chosen charity private from their employer?

Yes – if an employee wants to keep their choice of charity a private decision, they can simply forward the completed form to the PGA themselves. Employers can use their own forms, or those supplied by the PGA, a PFO, charity or consortium.

How will the charity know who their payroll donors are?

The PGAs can provide charities with disbursement statements upon request. The statements ensure that charities are given the names, addresses and (in some cases) the workplaces of their donors so that they can write to the donors and thank them.

What happens if the donor wants to remain anonymous?

All forms allow the donor to donate anonymously to the charity or charities chosen. The PGA then simply marks the donor as 'anonymous' on the disbursement statements.

What else do employees need to know how Payroll Giving works?

Employees can find out more by

About the Quality Mark

What is the Payroll Giving Quality Mark?

Launched in January 2006, the Payroll Giving Quality Mark is a new scheme that recognises and rewards organisations of all sizes for making Payroll Giving available to their staff. The Quality Mark comprises a certificate and logo, as well as Bronze, Silver and Gold Awards. The Awards symbolise excellence, aiming to generate sustainable income sources for UK charities by increasing participation in Payroll Giving.

How will my organisation be recognised and rewarded?

At its most basic level, you will receive a certificate and logo for use on your letterheads, websites and other literature, simply for making Payroll Giving available to your staff. This acknowledges that you have implemented Payroll Giving and demonstrates your commitment to the good causes your employees care about.

Awards are available for organisations that achieve staff participation rates and employer support as outlined in the blue section of this document.

How can I claim an Award?

The allocation of Awards varies slightly depending upon which PGA you use. If you have supplied updated information about your organisation, your PGA will be able to establish what your participation rate is and allocate an Award in line with the criteria set out in the blue section of this document. The cut-off point in respect of the numbers of employees participating is the 31st March. If you are eligible for an Award, your PGA will issue the Award between April and June each year.

To find out how your PGA will manage the annual distribution of Awards you can contact them directly.



ABOUT THE QUALITY MARK

What is the Payroll Giving Centre?

The Payroll Giving Centre is a comprehensive resource centre for information on Payroll Giving, aimed at the general public, charities, organisations and the media.

The website ([www.payrollgiving.org.uk](#)) hosts free guidance materials, promotional literature and useful links to help you make the most of Payroll Giving.

Go online, call **0845 602 6786**

or write to: **Payroll Giving Centre, PO Box 52709, London, EC3P 3WX.**

The Payroll Giving Quality Mark is funded by HM Government, administered and promoted by the Institute of Fundraising, with support from Business in the Community.

Further Information

For enquiries about this guide or Payroll Giving, contact the **Payroll Giving Centre** on **0845 602 6786** or visit

The Payroll Giving Centre is an independent resource centre for Payroll Giving, providing information for employers, charities and the general public.



The Payroll Giving Quality Mark scheme is funded by HM Government, administered and promoted by the Institute of Fundraising, with support from Business in the Community.



Payroll Giving Centre
FREEPOST
PO Box 52709
London
EC3P 3WX

This guide has been created by the Institute of Fundraising.

© Institute of Fundraising 2006

The Institute of Fundraising is the professional body for UK fundraisers, working to promote the highest standards in fundraising practice and management. The Institute is a Registered Charity (No.1079573) and a Company Limited by Guarantee (No.3870883). VAT Registration No 547 8930 96.

Institute of Fundraising

Park Place
12 Lawn Lane
London SW8 1UD

Tel: 020 7840 1000
Fax: 020 7840 1001