

CAF Give As You Earn[®]

Payroll guide

This is a practical guide for payroll managers and other organisation representatives responsible for managing the transfer of payroll information in connection with the CAF Give As You Earn scheme. It outlines the information you need to provide on a regular basis to ensure the smooth running of the scheme.

Flexible benefits

There is a separate payroll guide for those wishing to use CAF Give As You Earn as part of their company's flexible benefits scheme. To obtain a copy, or should you have any other queries about the information you need to provide, please call the Customer Service team on **03000 123 000**.

The basics – your payroll system requirements

In order to operate CAF Give As You Earn, your payroll system must be able to:

- deduct charitable donations before tax
- generate a monthly donor analysis report which lists participating employees and the amounts deducted

If third parties (ie, your payroll bureau) will be sending information on your behalf, you should:

- let us know who and what information they will provide by contacting the Customer Service team on **03000 123 000**
- ensure the third party is fully aware of the requirements of the CAF Give As You Earn scheme as set out below

Important: *When forwarding any documentation, please include the contact details of the person we need to speak to in the event of any queries.*

What you need to provide each payroll period:

1 Donor analysis report

This is a record of your employees' donations for that specific payroll period. There is a specified format for this report which can be found at www.cafonline.org/eda

The report should be submitted electronically wherever possible. It must include your company name, your contract number, payroll number (where applicable) and the tax period to which the payment applies.

It is also vital to include a unique employee identification number on both the donor analysis report and the donor instruction form (see section 2). This may be a National Insurance number or a unique employee payroll number. You must notify the Customer Service team at least two months in advance of any changes to employee identification numbers.

If donations are to be held in a CAF Staff Charity Fund you must submit a separate donor analysis report listing employees contributing to this fund and clearly marked with the appropriate CAF Staff Charity Fund reference number.

Please note: you must provide a donor analysis report for each payroll period even if there are no changes to the number of donors – this is an HMRC requirement.

You can send us your donor analysis reports either by email to bacsreceipts@cafonline.org or by post to:

CAF Give As You Earn
25 Kings Hill Avenue
Kings Hill, West Malling
Kent ME19 4TA

2 Your employees' donation instructions

Managing your employees' initial donation instructions

Every employee who joins the CAF Give As You Earn scheme must complete a donor instruction form detailing their donation instructions. This can be found on our website at www.cafonline.org/dif

This form can be tailored to include your company logo; just contact the Customer Service team on **03000 123 000** to arrange this. Completed donor instruction forms can be sent either by email to difprocessing@cafonline.org or by post to:

CAF Give As You Earn
25 Kings Hill Avenue
Kings Hill, West Malling
Kent ME19 4TA

The form should be submitted in advance of any corresponding payments or donor analysis reports.

If the employee's elected charity is not registered with us, we will conduct a validation check to ensure they are eligible to receive charitable funds. Once the charity provides us with the required information, we can process the employee's donation.

Important: *Without an employee's donor instruction form we will be unable to send the funds to the employee's chosen charity/charities.*

Managing any change to your employees' donation instructions

Any change to an employee's donation instruction must be detailed in a new donor instruction form and sent to CAF at least two weeks in advance of any affected payments. Examples of changes that require a new donor instruction form include:

- an increase or reduction in donation amounts
- additional/one-off donations
- cancellations of instructions
- a change of allocated charity

Important: *Failure to provide the relevant donor instruction form for changes in an employee's donation instructions may result in funds being delayed or being divided between the employee's existing charities.*

3 Payment of your employees' donations

Please submit funds and donor analysis reports on the same day to ensure accurate reconciliation of payments and donation instructions.

Important: *The reference field should show your CAF Give As You Earn contract number or company name. Any other form of reference may not be recognised and could result in processing delays. If a third party is sending information on your behalf, please ensure they quote your company name and contract number to enable us to identify you.*

The total deductions listed on the donor analysis report must reconcile with the BACS payment received for the relevant payroll period.

Donations and correct donor analysis reports which reach us on or before the last working day of each month will be sent to charities on the 22nd (or the nearest working day) of the following month. The exceptions to this are CAF Staff Charity Funds and CAF Charity Accounts, which will be credited overnight following the date that we process the funds. You should make your employees aware of these timelines.

Payments made under the CAF Give As You Earn scheme are payments to a charity and cannot be legally refunded if correctly deducted in accordance with an employee's wishes.

Donations to charities are generally paid via BACS direct to their bank accounts and include a CAF reference number allocated to them at the time of registration. Employee names do not appear on the payment, though charities can obtain a list of employees who have donated to them by subscribing to our monthly disbursement statement service. HMRC regulations require payroll giving agencies to send funds to recipient charities within 60 days of reconciliation.

4 Matching and administration fees

Employers wishing to match employee donations should either add the total matching funds to their BACS remittance or provide authorisation for CAF to take the matching funds from their CAF Company Account (if applicable). Please call the Customer Service team on **03000 123 000** to arrange this. The matching funds must also show on the donor analysis report as specified at www.cafonline.org/eda

Employers who pay the administration fees on behalf of their employees will be invoiced or, if applicable, the funds will be debited from their CAF Company Account.

5 Your legal requirements

CAF manages the scheme in line with all applicable HMRC regulations. However, there are a number of legal requirements which you must meet as the employer. You must:

- retain all deduction records for seven years
- retain the deduction authorisation (ie, the donor instruction form) for seven years
- retain the CAF Give As You Earn agreement for seven years after termination
- pay all donations to CAF Give As You Earn by the 19th of the month following deduction from the employee's salary

Please call the Customer Service team on **03000 123 000** if you have any questions and we will be happy to help.