

## How to Set Up Payroll Deductions

Payroll deduction is the most convenient way to contribute to United Way. Payroll deduction benefits employees because it eliminates the expense of writing and mailing cheques to United Way and because it spreads their donations throughout the year. Payroll deduction also eliminates the need for costly direct billing by United Way and ensures that pledges are collected regularly and forwarded to recipient agencies on a timely basis.

It is very simple to set up a payroll deduction plan:

1. Forward to your payroll department, copies of signed pledge forms where gifts are made by payroll deduction. For organizations using United Way pledge forms, simply separate and forward the company portion of the pledge form.
2. Enter the pledges of all employees who authorize payroll deduction into your payroll system.
3. Begin deducting the authorized amount from employee's payroll on January 1st.
4. For first-time campaigns, you may offer this valuable service immediately and commence deductions on the next appropriate payroll, then conform to the January 1st United Way payroll cycle in the next campaign.
5. If your organization uses an automated payroll service, simply set up an additional deduction code. United Way deduction code is similar to, and should be handled the same as, any other deduction codes you are currently using.
6. If your organization does not use an automated payroll service, simply deduct the amount from each employee the way you would other deductions (i.e. CSBs or other similar deductions).
7. Respond to any pledge and payment inquiries from United Way or its auditors.

### *Monthly Payroll Deduction Remittances*

1. It is important to remember that it is your responsibility to reconcile the payroll account and remit the total amount of employee deductions for each pay period.
2. Please forward all payroll deductions to United Way (Attention: Finance Department) on a monthly basis. United Way's commitment to its member agencies is to remit funds every month; therefore, our cash flow is stabilized by those organizations that send their funds to us monthly.
3. If you are unable to forward payroll deductions on a monthly basis, please contact United Way of Saskatoon and Area's Finance Department to establish a payment plan that is more suitable for your organization.
4. If you prefer to remit through an electronic fund transfer (EFT), please contact the United Way Finance Department.

### *Year-End Tax Receipts*

Employees who donate through the Payroll Deduction Plan are entitled to a Tax Receipt at the end of the year, reporting total charitable donations for the year. This can be provided in one of the following ways:

1. For most employers, the simplest way to provide a receipt for income tax purposes is to report charitable donations on his/her T4 slip at year-end. Most organization's payroll systems can handle this very easily. You will use United Way's charitable business number (11927 6509 RR0001).
2. If your organization has incorporated an Employee's Charitable Trust Fund, you should report total gifts on T4s and use the Charitable Registration number of the Trust Fund.
3. If your payroll system cannot report charitable donations on T4s please contact the United Way Finance Department (306-975-7700) to discuss other options.