

# Wales Council for Voluntary Action

Supporting charities, volunteers and communities

## 7. Finding and getting money

### 7.10.2 Payroll fundraising



Payroll fundraising involves building relationships with employers and employees with the aim to promote the charity's work and recruit committed donors. You can do this through forming a payroll giving consortium with other charities, or through employing a Professional Fundraising Organisation (PFO) specializing in promoting payroll giving. However, particularly for small, local charities, one of the most effective ways of promoting payroll giving is to 'Do It Yourself'. This Information Sheet provides information on how to go about developing a payroll giving strategy for your charity.

### Creating your fundraising strategy

Making connections and building relationships with local employers takes time and effort. This responsibility should be delegated to a member of staff, experienced and trained volunteer or a professional fundraiser. In either case, a reasonable budget should be allocated to cover these costs.

### The snowball effect

Payroll gifts are continuous; building weekly, monthly and annually, year after year. The average monthly gift is £8.00 per donor and once begun, is likely to continue until the employee leaves the employer or cancels the instruction.

**Example:** The table illustrates the potential income which can be generated based on a target of ten new Payroll giving donors per month, over a period of three years, each giving a consistent monthly gift of £5.00.

	Month	Number of donors (£5.00 per month)	Value per month
<b>Year 1</b>	1	10	£50.00
	6	60	£300.00
	12	120	<b>£600.00</b>
<b>Year 2</b>	1	130	£650.00
	6	180	£900.00
	12	240	<b>£1,200.00</b>
<b>Year 3</b>	1	250	£1,250.00
	6	300	£1,500.00
	12	360	<b>£1,800.00</b>

## **Do It Yourself**

You should make every effort to promote Payroll Giving yourself and make contact with employers where you have contacts, or who are likely to be interested in your work. The advantage of this approach is that you are promoting your own cause and a more direct, personal appeal is likely to be more persuasive.

One of the best ways to learn about Payroll Giving is to offer a scheme within your charity. It will raise awareness of the scheme within your charity and provide an opportunity to see it work first hand. You can then be more informed about running the scheme when talking to other employers.

### **Exploit your network of contacts**

The next step is to promote it to organizations you have contacts with such as suppliers, businesses your Trustees have links with, and existing corporate supporters. These organizations are likely to be warm to you and you already have a 'foot in the door'.

Make sure all your staff and volunteers understand Payroll Giving and sell the benefits to potential supporters.

### **Start simply**

Approach small companies (less than 50 employees) where there is likely to be less competition from national charities.

### **Who to approach?**

Ask these questions when considering the most appropriate local business opportunities:

- What sectors of industry are available locally and which are most likely to respond to the cause?
- How high is the level of staff turnover?
- What are the earning levels?
- Will a specific aspect of the cause be more attractive to certain employers?
- Will the firm benefit from association with the cause in local press coverage?
- Is community/ charitable involvement important for the firms image/ brand?

Bear in mind that higher rate tax payers receive considerable tax relief on their gifts; a £10.00 gift only costs higher rate taxpayers £6.00 from their net wage and the highest rate taxpayer only £5.

### **Make contact**

Create a list of 100 employers and write to each decision maker within the organisation to meet and discuss your cause. Follow up with a phone call to make an exploratory meeting to discuss the scheme; the benefits to the employer, the donors and the charity. It may be worth providing a promotional plan which can be agreed by the

management so that the fundraiser can create a strategy with specific dates to continue ongoing promotion within the organisation.

## **Promoting Payroll giving**

Charities that benefit from Payroll giving are those who promote it across a variety of communication channels.

The most effective fundraising method, as with any form of fundraising, is via face-to-face promotions. This involves gaining an employer's permission to approach employees at their place of work.

Once access has been approved, this provides the fundraiser with an excellent opportunity to ask the employer to become the charity's 'corporate friend'.

Do not forget the smaller employers! The best way to recruit new donors is to talk to them personally; smaller organisations with less staff often allow the fundraiser to build a stronger rapport with staff.

The company should be visited regularly to promote the charity to new employees, to thank existing supporters and to provide updates on the service offered by the cause. Employers easily forget about the scheme as the process is continuous without maintenance, it is therefore important that charities remind employers to refresh the internal promotion of the scheme, every 18 months or so.

Payroll fundraising is about long term relationships and long term support, when maintained effectively, these relationships can lead to:

- Ongoing support and loyalty.
- 'Corporate friend' scheme
- Further contacts from companies or other branches.
- Support for other fundraising activities.
- Contributions to raffle prizes, stalls at annual events etc.

## **Approaching employees**

When approaching employers for support, permission needs to be granted to promote the cause to the company's employees. There are many options for promoting the scheme internally and a variety of planned methods should be used, here are some examples though this list is by no means exhaustive:

### **Desk to desk promotion**

The fundraiser (or trained volunteer) walks around the offices promoting the cause, thanking donors and updating them with information about the ongoing work. The desk to desk approach is the most effective at signing up new supporters.

**Distributing forms**

Charities can produce fliers and sign up forms which may be distributed throughout the organisation with employee pay slips on pay days.

**Cause specific articles**

In company bulletins, magazines or on the intranet.

**Promotional emails**

Sent from an internal ambassador or member of management.

**Stalls in public places**

Weekly or monthly stalls. eg car park or canteen presence to attract donors.

**Presentations**

To small or large groups of employees during pre-arranged or suitable times

**Posters/ flyers**

Promotional materials displayed on notice boards, reception or staff rooms.

## Further information

### Giving Wales

Helpline 0800 2888 329

[givingwales@wcva.org.uk](mailto:givingwales@wcva.org.uk)

### Payroll Giving Scheme

[www.charitablegiving.co.uk](http://www.charitablegiving.co.uk)

### Institute of Fundraising

[www.tax-effectivegiving.org.uk](http://www.tax-effectivegiving.org.uk)

### HMRC Charities

Helpline 0845 302 0203

[charities@hmrc.gov.uk](mailto:charities@hmrc.gov.uk)

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

## For further information contact

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