

Donating Through Payroll Contribution

A Simple Step-By-Step Approach

“Payroll deduction to the United Way of the Lower Eastern Shore, Inc. is philanthropy in its purest form. Every dollar given is a dollar of difference for our community and for those in need. 100% of contributed dollars stay local to our four (4) county areas (Wicomico, Worcester, Somerset and Dorchester). United Ways worldwide are leaders in utilizing Payroll Deduction for raising funds for charitable purposes. As much as 75% of our pledge income is derived through payroll deduction programs.”

Note: Our current Campaign Year is designated as our 2019 Campaign.

Normally most payroll deductions won't begin until January of 2020 and should continue through December 2020.

- **Step 1** Make sure all “pledge forms” are accounted for and properly completed. Your payroll department should keep the “payroll deduction pledge forms”. This year (2019), those copies are the **Yellow Middle Copy**.
- **Step 2** Create a liability account within your general ledger which you can use to accumulate your employees' withheld amounts. A/P – Payroll Liabilities/United Way is what we use for own internal staff's contributions.
- **Step 3** Establish a United Way “deduction type code” in your payroll processing software or through your offsite payroll processor.
- **Step 4** Using the “payroll deduction pledge forms” mentioned in Step 1 above, add the United Way deduction code to each applicable employee and enter the amount they have designated to be withheld per pay period. Some payroll systems will even allow you to set a “cap” or “limit” for the deduction (i.e. a bi-weekly deduction of \$2.00 would result in a \$52.00 cap or limit).
- **Step 5** Forwarding the payments:
 - Issue checks to the United Way of the Lower Eastern Shore, Inc. on your own schedule. Best practices suggest a monthly reconciliation. Simply write a check through your accounting system and debit the liability account.
 - You may hold payment and request that we “Invoice You” either monthly or quarterly.
- **Step 6** Of special note:
 - Payment submissions should indicate amounts that are being sent for employee withholding and also amounts that are being sent that represent a company match. We track these numbers separately.
 - New employees' pledges can be reported at any time.

For more support and information please contact:

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United Way of the
Lower Eastern Shore