



## Employer Payroll/ Finance Guide



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## 1. Introduction

Thank you for your participation in the HealthPartners campaign. Your department has an additional role to play in ensuring that donations made through payroll deduction are processed, and that the donations are properly remitted to HealthPartners.

## 2. Glossary of Terms

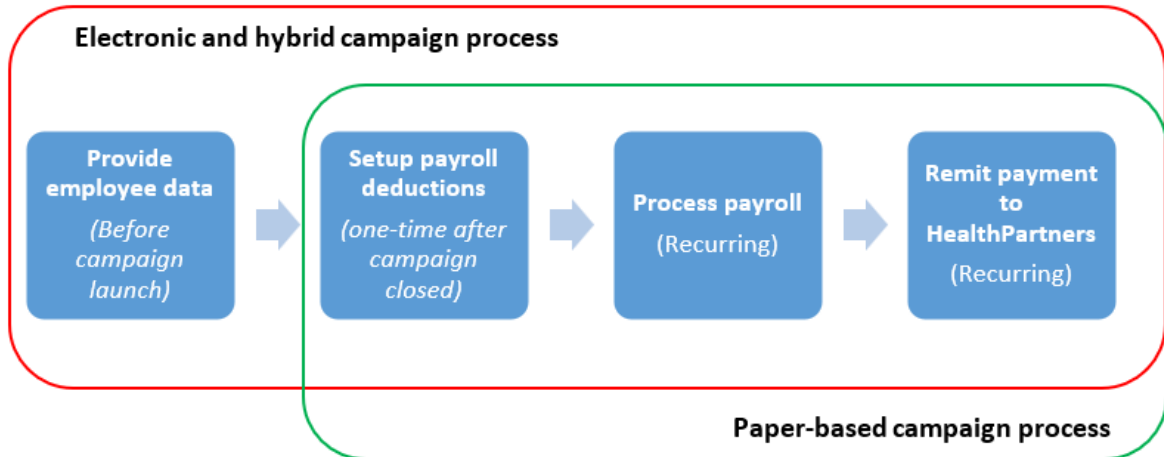
- **Paper-based campaign** – All employees are given a paper pledge form to complete and submit
- **Electronic campaign** – All employees make donations via our online platform **Charities At Work Powered by Andar/360**
- **Hybrid campaign** – For a group of employees, paper pledge form is used; for another group, online application such as *Charities At Work* is used.
- **Employee** – An employee that is on payroll that is issued a T4/RL1
- **Donor** – An employee that makes a donation
- **Credit card donation** – Employee donation made by credit card
- **Payroll Deduction (PRD) donation** – Employee donation that is deducted (one-time or periodically) from the pay

## 3. Background

An employer campaign will usually provide your employees with a few methods for them to contribute to HealthPartners, its member organizations or other charities. The campaign formats can either be a:

1. Paper-based campaign;
2. Electronic campaign or;
3. Hybrid campaign

The overall process is as follows and will be described in more detail below.



An electronic campaign has an additional step of providing employee information prior to the campaign launch. In the case of a hybrid campaign, employee information is only needed for those with corporate email accounts.

With either paper or electronic donations, employees can contribute directly using their personal credit card or they can request payroll deductions (PRD). The focus of this guide is payroll deduction donations.

It is important to understand that your employees have the option of donating to HealthPartners (or directly through us to any of our member organizations) and other nationally registered charities (for electronic campaigns). Things can change - employees leave, new ones are hired, and some employees may decide to stop contributing. In order to ensure that the employee donations are distributed according to their wishes, some basic information is required to ensure that the funds can be distributed (i.e. your organization's payment to HealthPartners) in accordance with your employee's wishes.

## 4.The Process

### 4.1. Provide Employee Data – Before campaign launch (electronic campaign only)

In order to create user accounts in the *Charities At Work* application, we will need to upload your organization's employee information. The upload is done via an Excel file that you or someone in your IT department or Human Resources department will need to populate.

Once the data file is ready please send it to your campaign manager for review and approval so that it can be sent to us for upload into the system.

### 4.2. Setup Payroll Deductions (One-Time)

There are many different accounting and payroll software available. But, at a very high level the process is the same.

1. The payroll deduction will need to be tracked in your payroll system to process the payroll deduction, and for tax purposes.
2. All employee donations to HealthPartners will need to be tracked and remitted to HealthPartners and/or the other charities. HealthPartners by default will remit donations to our own 17 member charities and remit donations to other nationally registered charities in the campaign. You will need to consider how best to setup the payroll codes to simplify your remittance process.

### 4.3. Setup payroll deduction code

If you don't already have a standard "Charitable Donation" deduction code, one should be created. Your system may have different ones for different charities, but there is no need to setup unique codes for HealthPartners and each of our 16 member organizations. One code should suffice as you will remit payments directly only to HealthPartners. Unique codes may need to be setup if your organizations has different payrolls or pay frequencies or if you plan on remitting donations directly to the other registered charities.

To ensure that your employee gets the associated tax benefit for making a charitable donation the deductions code(s) should be allocated to T4 box 46 (and also RL1 box N for Quebec employers).

From an accounting perspective (journal entry), these deduction code amounts should probably be allocated to a short-term liability account in the same way you might allocate your normal tax/ CPP/EI deduction codes that are payable.

For those with a payroll service (e.g. ADP/Ceridian), we (HealthPartners) are not an established payee and these service providers will not remit these funds automatically to us on your behalf.

#### 4.2.2. Update employee records

##### 4.2.2.1 Paper-based campaign

According to your internal procedures, completed paper pledge forms with requests for payroll deductions will be provided to you or stored in another department, as human resources. These forms can be used as a backup to justify a payroll deduction.

Usually, one of the campaign managers will prepare and give you an Excel file with all relevant information about employees having authorized a payroll deduction, and with details about this payroll deduction. This Excel file could look like the one displayed in Appendix B.

##### 4.2.2.2. Electronic campaign

As part of our campaign close process you will receive an Excel file with the PRD pledge details for each employee. The payroll report (Excel file) should be self-explanatory and will be the basis of your employee record data entry. Refer to an example of this file in Appendix B.

Employees can opt to have a one-time or periodic (deducted every pay) donation. It is important to be sure that you enter this information appropriately. In the case of one-time deductions it is suggested that you advise employees when the deduction will be processed.

#### 4.3. Process Payroll - Recurring

Process your payroll as you would normally. The employee should see a deduction for the agreed donation amount on his/her pay stub.

When you post the payroll to your general ledger, one would assume that you would have an amount for the total donations for the pay period allocated and accumulating in a short-term liability account pending remittance/payment to HealthPartners or the other charities in the campaign.

#### 4.4. Remit Payments - Recurring

All collected donations can be sent in aggregate to HealthPartners at the address below.

You can remit the employee donations to us in any frequency that suits you. Most employers remit the donations in a manner consistent with their other payroll remittance deadlines (Tax, EI, CPP, QPP, etc...). At minimum, we would request a quarterly remittance.

It is preferred that payments are made through EFT. Please contact [AR@Healthpartners.ca](mailto:AR@Healthpartners.ca) to set up EFT. You have the option of paying via cheque if you are unable to send by EFT.

Cheques should be issued and mailed to:

HealthPartners Canada  
TCC Canada  
150 Elgin Street, Suite #1051  
Ottawa, ON K2P 1L4

To make sure that we can distribute the funds as per the donor wishes, we do require some information/reports to be included with your payments. You can enclose this information along with the cheque or email it to: [AR@Healthpartners.ca](mailto:AR@Healthpartners.ca).

You have two basic options in reconciling/reporting the HealthPartners remittance amounts.

**Option 1: Provide a summary report detailing the amounts donated to HealthPartners, our member charities and other charities (if applicable).**

As mentioned previously, we need to ensure that donor wishes are respected.

We understand that you may have concerns with respect to employee privacy and may be reluctant to provide employee numbers, names and donation amounts. This is not a problem and this information can be masked (if you prefer) or you can just report the necessary information in aggregate.

With this in mind, we would need a summary that provides at minimum:

- The campaign year
- The periods covered in the remittance (e.g. Donations for May 201X) and the detailed or aggregate amounts payable to HealthPartners
- The amount payable to each of our member organizations or the other charities (if applicable)
- The amount of employer match (if applicable).

These individual amounts should total the total amount of your payment.

**Option 2: Provide a summary report of donations by employee**

In this option we will determine the allocations to HealthPartners, the other member organization and other charities. You need only report the total amount of donation by employee. To do this we will need information regarding the employee's wishes (per their pledge details) and their unique employee number/identifier.

In this case we would require, at minimum:

- The campaign year
- The periods covered in the remittance (e.g. Donations for May 201X)
- The employee number/identifier and the amount of each employee's donation for the period
- The amount of employer match (if applicable)

These individual amounts should total the amount of the payment.

***There are sample reports of both option 1 and option 2 in Appendix C.***

## 5. Frequently Asked Questions

### 1. How will my employees get their charitable donation tax receipts?

If the employee is making a payroll deduction donation there is no tax receipt issued. Their cumulative charitable donations for the calendar year are reported on their T4 (box 46) or RL1 (box N) assuming the associated payroll codes were setup properly.

If a credit card donation of \$20 or more was made in a paper-based campaign, they will receive their tax receipt by mail early in the next year (January/February).

If a credit card donation was made in an electronic campaign, they will receive a tax receipt via email once the transaction is processed online.

### 2. Some of my employees have specified that their donation should all go to the Canadian Cancer Society. Do I need to pay (remit payments) to them directly?

No. You must remit all donations to HealthPartners and any of its seventeen member organizations to us (HealthPartners). With your help (proper remittance reports) we will distribute the payments to the member organizations in accordance with your employee's wishes.

### 3. How do I handle donations to the other charities in the campaign?

Please remit all campaign donations to HealthPartners and with the appropriate information we will remit the funds to the other designated charities.



#### **4. Why do we need an employee import file to use Charities At Work?**

This was done with you in mind. We wanted to make sure that accurate employee data was used. With accurate data comes accurate reports, and the process of entering employee donations into your payroll system *should* be easier.

#### **5. Other Questions?**

If you have any other questions do not hesitate to contact our Finance Manager by email at [accounting@healthpartners.ca](mailto:accounting@healthpartners.ca)