Gift Aid: how to claim and what to claim

Financial Resilience training delivered on behalf of DeVA (Devon Voluntary Action)
NDVS commissioning the work on behalf of DeVA

Rachel Cooper| 13 October 2022

Embrace Finance
Building confident charities

We work with small and medium organisations with big ambitions

How to stop worrying and learn to love finance

Embrace Finance is a non-profit organisation working with charities and social enterprises to build financial sustainability by building financial confidence

Want to stay in touch?

Getting on top of the numbers and staying on top of the numbers is the only way we can build our financial sustainability.

Join us today to take your next step:

- Subscribe to our newsletter to get free insights on building financial sustainability
- Join us at our free monthly friendly finance circles, bring your pain points and leave with new friends
- Take a deeper dive and build your financial confidence with a 121 professional mentoring session
- Get rid of your unknown unknowns and book onto one of our workshops
- Not sure what you need? Contact us to arrange a discovery chat

We look forward to working with you!

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Liz Pepler MIAB FRSA

Founding Director

The voluntary, community and social enterprise sector has been my professional home for the whole of my working life. Over the past 20 odd years, I have had the privilege of working in a range of senior leadership roles in several national and local organisations.

Whilst I recognise it is not perfect and there is much work to be done I am deeply fond of the many rich and fertile coral reefs of social action that shape our sector.

Combining a professional background in enterprise, resilience, finance and sustainability with senior leadership, change management and partnership building skills, I support social organisations through growth, change and difficulty.

Contact me for:

01 | Financial Sustainability Planning
02 | Organisational Resilience Building
03 | Financial Governance Reviews
04 | External Finance Director work
05 | Systems Design and Implementation
06 | Learning and Innovation Partnering

I specialise in working with small and medium organisations with big ambitions.

Founder | Embrace Finance
Co Founder | Small Charity Friendly Collective
Co Founder | School of Small Charity Finance

#FinanceForSocialChange
#SmallIsBeautiful

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Rachel Cooper ACA FHEA
Associate

"The value of small" report from Lloyds Bank Foundation in 2018 evidenced and clarified what many people instinctively knew – that small and local charities play a vital and distinctive role in addressing complex issues. I feel so fortunate, after a career that has covered a range of roles in the social and public sectors to be specialising on working alongside these dynamic organisations, building financial confidence.

I believe that if you can manage your project or organisation, you can manage the finances for it. I am here to take the fear out of finance so that you can have more independence, more security, and more control over the future of your organisation.

I work in association with Embrace Finance, as well as in my own practice.

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DeVA Financial Resilience Support Autumn 22

How to budget in uncertain times	04-Oct	10-11.30
Costing 101; from unit cost to full cost recovery	11-Oct	1-2.30
Gift aid; how to claim and what to claim	13-Oct	2-3.30
Bookkeeping; Keeping on top of the numbers	18-Oct	2-3.30
Financial controls; managing operational financial risk	03-Nov	10-11.30
Management accounting; Finding the stories behind the numbers	08-Nov	10-11.30
Annual Accounts and Independent Examinations	15-Nov	10-11.30
Cashflow forecasting; Keeping the lights on	17-Nov	2-3.30
Reserves and resilience; managing strategic financial risk	23-Nov	9.30-11
Charity Finance for Trustees; An overview	29-Nov	10-11.30

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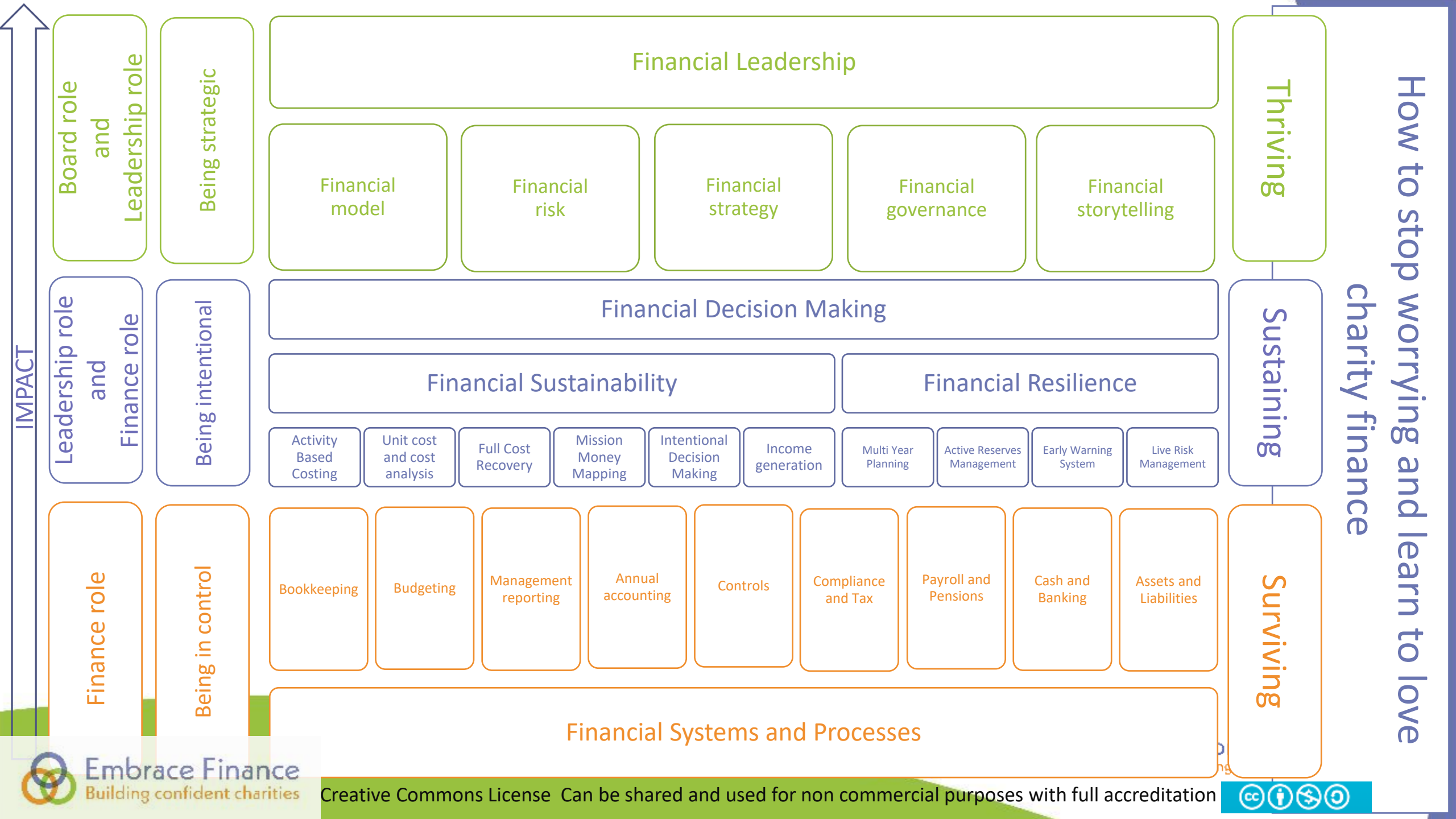
IMPACT
Board role and Leadership role
Being strategic
Financial Leadership
Financial model
Financial risk
Financial strategy
Financial governance
Financial storytelling
Thriving
Leadership role and Finance role
Being intentional
Financial Decision Making
Financial Sustainability
Financial Resilience
Activity Based Costing
Unit cost and cost analysis
Full Cost Recovery
Mission Money Mapping
Intentional Decision Making
Income generation
Multi Year Planning
Active Reserves Management
Early Warning System
Live Risk Management
Sustaining
Finance role
Being in control
Bookkeeping
Budgeting
Management reporting
Annual accounting
Controls
Compliance and Tax
Payroll and Pensions
Cash and Banking
Assets and Liabilities
Financial Systems and Processes
Surviving
How to stop worrying and learn to love charity finance
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Today - the material

- What is Gift Aid? And the Gift Aid Small Donations Scheme (GASDS)?
- How do we register for Gift Aid?
- How do we make a claim?
- What do we need for a Gift Aid declaration?
- What records do we need to keep?
- What donations are eligible?
- Special rules

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Questions for you

What kinds of donations do your organisations currently claim gift aid on?

What else would you like to claim on?

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Any other gift aid questions

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What is Gift Aid?

System of tax relief on donations to charities and Community Amateur Sports Clubs (CASC)

Corporate Gift Aid – relief handled through company's tax affairs (ask them to "gross up" their donation). NB donor benefit rules apply

What does Individual Gift Aid look like for you?

- Donation from UK taxpayer £100
- Charity can claim tax at basic rate £25
- Total gift to charity £125

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Gift Aid standard requirements

Gift of a sum of **money** made to a charity or CASC recognised by **HMRC**

Donations must be from an individual who is a **UK taxpayer** (and has paid at least as much in Income Tax or Capital Gains Tax as you want to claim in Gift Aid)

Donor must have made a **Gift Aid declaration**

Must be **genuine gift** – the benefit rule

Charity/CASC must be able to provide **evidence of receipt** of donation

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Requirements for Registration

Can only claim back Gift Aid if:

based in the UK, EU, Iceland, Liechtenstein or Norway

established for charitable purposes only

registered with the Charity Commission (or another regulator) if this applies to you

run by ‘fit and proper persons’

recognised by HMRC

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What is Gift Aid Small Donations Scheme (GASDS)?

Public spending initiative – Top up

Charities and CASCs can claim 25% top-up payment on small donations without need for Gift Aid declarations

- Cash donation of £30 or less banked in UK
- Contactless donation of £30 or less

Total amount of small donations capped at £8,000, maximum top-up repayment £2,000 – though see community buildings

must claim within 2 years of end of **tax year** to which claim relates

https://www.gov.uk/claim-gift-aid/small-donations-scheme

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What counts as a small donation?

Cash and contactless donation ≤ £30 from individual

Donation collected and banked in UK

Not membership fees

Not cash donations from Companies or Trusts

No benefits to be given to individual

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Eligibility for claiming GASDS

Charity must have claimed Gift Aid:

- in the same tax year as they want to claim GASDS
- without incurring a penalty in the last 2 years

Maximum £ donations to claim GASDS on up to **10x** £ donations you claim Gift Aid on **in same tax year**

- eg if you received Gift Aid on £100 of donations, you can claim GASDS on up to £1,000 of small donations

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Community Buildings

Charities with 1 or no community buildings – claim on donations collected anywhere in UK

Charities with more than 1 community building can only claim top up on either:

- max £8,000 donations collected anywhere in the UK **or**
- max £8,000 donations per community building collected (at any time) in the same Local Authority area as that building

Choose the option that benefits you most

https://www.gov.uk/guidance/claiming-a-top-up-payment-on-small-charitable-donations#community-buildings

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What is a Community Building?

•A building (or part of a building) where your charity carries out charitable activities:

- for ≥10 beneficiaries at the same time
- for groups together not individuals
- where beneficiaries are not charged
- also open to the general public (or a section of the public)
- at least 6 times each tax year

•Community Building Rules don't apply to CASCs

https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-8-the-gift-aid-small-donations-scheme#community-buildings

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Gift Aid vs GASDS

Gift Aid

- No limit to size of gift, or form money takes
- Must have declaration from donor
- Extensive rules about benefits to donor in return for gift
- Special rules to cover memberships & other situations
- Good for larger donations
- Good for when you have an ongoing relationship with the donor

GASDS

- Only for cash/contactless donations of £30 or less
- Strict rules about banking, cash handling & NO benefits
- No need to know identity of donor
- Limited to 10x Gift Aid donations and absolute limit of £8k donations
- Great for collecting tins & other public collections

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Registration

For registration:

1. Register charity with HMRC Online Services/Govt Gateway
2. Get recognition for your charity from HMRC
3. Register/Enrol charity for Charities Online
4. Activate Charities Online using activation code

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Registration

Get recognition from HMRC for your charity

You can register your charity's details with HM Revenue and Customs (HMRC) to get tax back on things like Gift Aid donations.

You can also continue with a previously saved application.

Use form ChV1 if you're already registered but want to change your details.

> This guide is also available in Welsh (Cymraeg).

Before you start

Check if you need to register with the Charity Commission before registering with HMRC.

Register with HMRC

You'll need your charity's:

- bank account details and financial accounts
- officials' details, including dates of birth and National Insurance numbers
- registration number if you've registered your charity with a regulator
- charitable objectives (sometimes called purposes)
- governing document (sometimes called a rulebook) - this explains how your charity is run
- Government Gateway user ID and password - you can create an account when you register your charity's details

Start now >

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Filling in the form

Collect the info together	up to 2 ‘authorised officials’ within your charity to manage its tax, eg claim Gift Aid and file a tax return – senior member of staff – someone responsible who will actually be on hand to do the work
	2 to 4 ‘responsible persons’ to be legally accountable for running your charity, eg a trustee, director or treasurer
If no NI numbers	national ID card or passport number &country of issue
	have to post copy of passport, evidence of address etc
Prep for	500 characters on what the charity does
	500 characters on public benefit
Print out before pressing submit!	No option to print copy of submission after it is sent, so print the confirmation of details page

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What to send to HMRC

And after 6 weeks they will send you a reference so you can enrol for Charities Online

Friday 31 July 2020

28 Days!

Your next steps

Add your reference number ([redacted]) to copies of your charity's:

- notification of registration from any regulators
- bank statements
- financial accounts
- evidence of activities
- governing document and any proposed changes

Copies are needed because we are unable to return your documents.

If you are missing any National Insurance numbers, remember to post a copy of each persons' passport photograph page, along with proof of their home address.

Post your documents to:

> Charities, Savings & International 2
> HMRC
> BX9 1BU

If we do not get your documents by Friday 31 July 2020, you will need to apply again.

It takes 6 weeks to process most applications. If more checks are needed or during busy periods, it may take longer.

Finish

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For registration:

1

Register charity with HMRC Online Services/Govt Gateway

2

Get recognition for your charity from HMRC

3

Register/Enrol charity for Charities Online

4

Activate Charities Online using activation code

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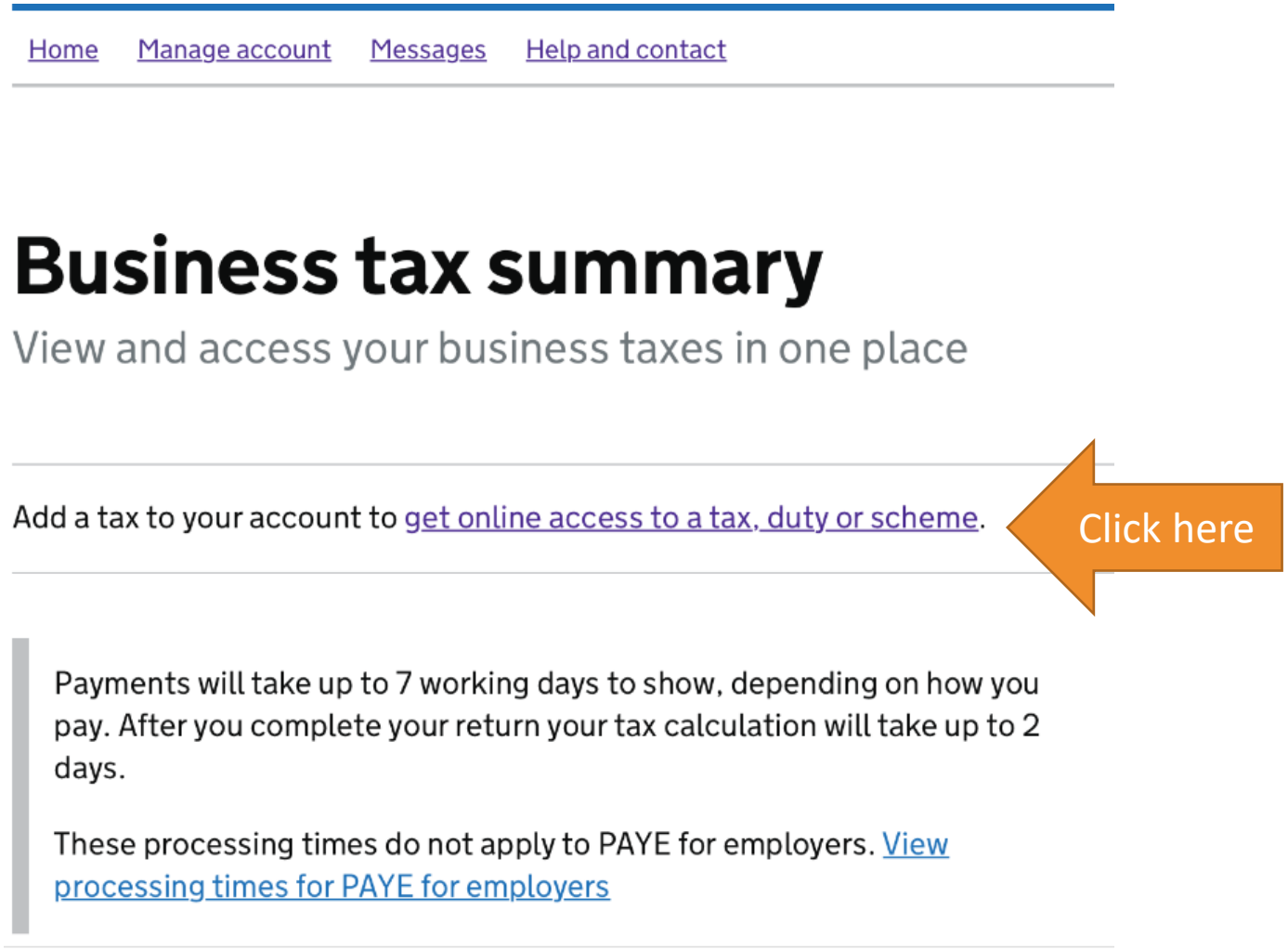
Enrol for charities online

Log into your Government Gateway account and you'll come to this page (image only – not link)

More guidance here:

https://www.gov.uk/guidance/claim-tax-back-on-donations-using-charities-online#register-for-charities-online

https://www.gov.uk/guidance/claim-tax-back-on-donations-using-charities-online#register-for-charities-online



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Enrol for charities online

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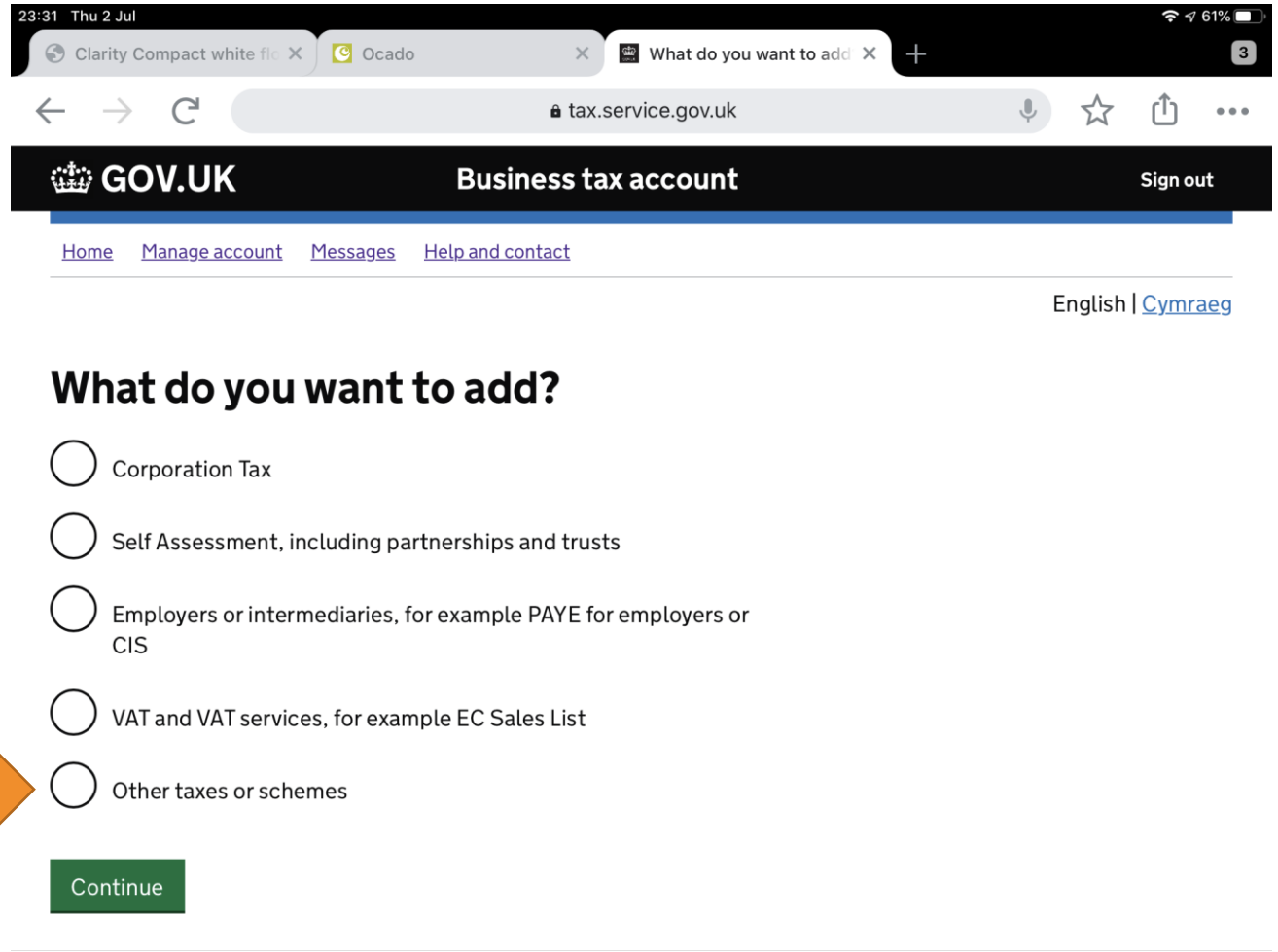

Click here

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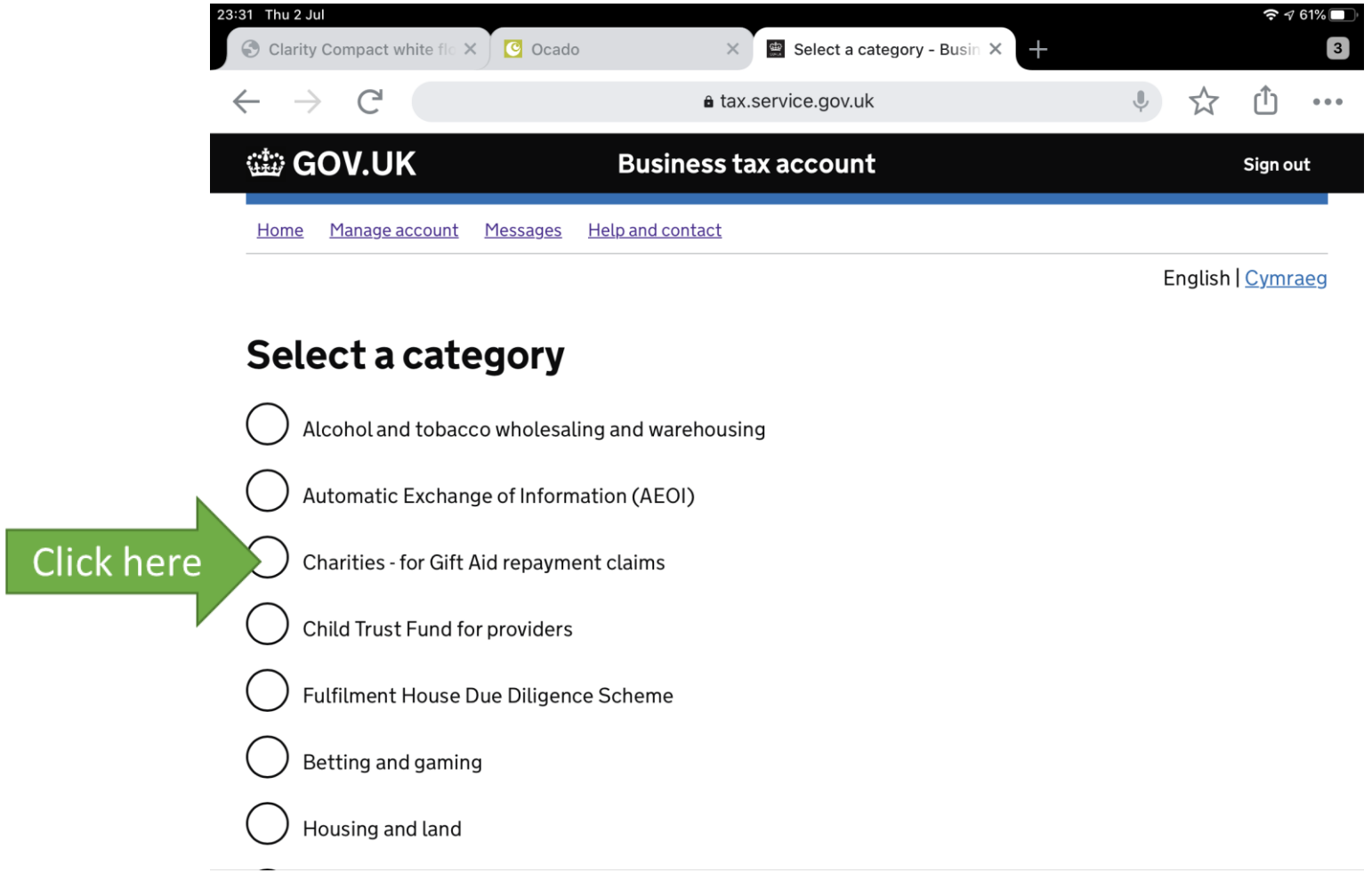
Enrol for charities online

Which brings you to here:



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Registration

To register and enrol you'll need to enter your charity's:

- postcode
- HMRC reference (up to 5 numbers, starts with 1 or 2 letters)
- customer account number (add a zero to the start if it's 9 digits) or the last 4 digits of your bank account number

Your activation code

When you enrol, you'll be sent an activation code through the post. It can take a week to arrive and is valid for 28 days. Activate Charities Online by logging in to Online Services and entering your code.

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Activate!

- Log in to HMRC Online Services using your Government Gateway user ID and password, and you'll see 'Charities' listed as one of the 'services you can use'. You'll then need to:
  - Select 'activate service'.
  - Enter your Charities Online activation code.
  - Select 'activate'.

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Making a Claim

Time Limits

Gift Aid

- Company – within 4 years of end of **accounting period** during which donation received
- Trust – within 4 years of end of **tax year** during which donation received

GASDS

- within 2 years of end of the **tax year** that the donations were collected in

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Claim Gift Aid online

Your charity or community amateur sports club (CASC) can use online services to claim:

- Gift Aid, including under the small donations scheme
- tax back on other income, such as bank interest

> Online services may be slow during busy times. Check if there are any problems with this service.

Start now ›

Before you start

Your charity or CASC will need to:

- be recognised as a charity for tax purposes
- add Charities Online to your HM Revenue and Customs (HMRC) online account

How to claim

You'll be asked to attach a 'schedule spreadsheet' - download and fill it in before you log in. You can claim for up to 1,000 donations on each spreadsheet.

You can also claim through eligible software, like a database.

https://www.gov.uk/claim-gift-aid-online

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Gift Aid donations schedule

Get it right first time - how to complete this schedule:

* Don't change the layout of the schedule or change the name of the worksheet.
* Save the schedule as a .ods file not a Microsoft Excel .xlsx file, for example Gift Aid Jan 2014.ods.
* If any section isn't applicable leave it blank. Don't enter N/A or Nil.
* Don't include blank spaces or other characters at the start or end of boxes.
* Don't leave a blank row between donations.
* Enter the house name or number and the postcode of all donors that live in the UK. For donors living abroad, enter their address and put X in the 'Postcode' column.
* Stay within the maximum of 1,000 rows of donations.
* Aggregated donations are donations under £20 from different people totalling less than £1000 per line. When you add together donations from the same donor, you must leave the aggregated donations column blank.
* For sponsored events enter the participant's name and address, the date collected, and the total amount raised. Don't include any donations over £500 – these must be shown separately as normal Gift Aid donations.

Fig.1 shows an example of how to complete the schedule. For more information follow the link below. You must be connected to the internet to access the guidance.

Charities online guidance

Fig.1 Examples	Title up to 4 characters	First name or initial up to 35 characters with no spaces, or just enter an initial	Last name up to 35 characters	House name or number up to 40 characters	Postcode UPPER CASE and include a space	Aggregated donations a simple description up to 35 characters - DON'T enter Yes or Not Applicable.	Sponsored event enter Yes or leave blank	Donation date (DD/MM/YY) DON'T use hyphens or full stops	Amount DON'T use a £ sign
	Prof	Henry	House Martin	152A	M99 2QD			24/03/15	240.00
	Mr	John	Smith	100 Champs Elysees, Paris	X			24/06/15	250.00
						One off Gift Aid donations		31/03/15	880.00
	Miss	B	Chaudry	21	L43 4FB		Yes	26/04/15	80.00

Enter details from here

	Earliest donation date in the period of claim. (DD/MM/YY)
Box 1	

For aggregated donations, this date may be earlier than any date entered in the donation date column of the donations schedule table below.

	Previously over-claimed amount. Leave blank if none
Box 2	

Don't use a £ sign

Make sure you show the tax not the donation. This amount will be deducted from your claim.

The total below is automatically calculated from the amounts you enter in the schedule.

Total donations:	£0.00

Donations schedule table

Item	Title	First name	Last name	House name or number	Postcode	Aggregated donations	Sponsored event (Yes/blank)	Donation date (DD/MM/YY)	Amount
1									
2									
3									

HMRC Donations Schedule

https://www.gov.uk/government/publications/gift-aid-schedule-spreadsheets-to-claim-back-tax-on-donations

HM Revenue & Customs

Gift Aid donations schedule

Read this!

Get it right first time - how to complete this schedule:

* Don't change the layout of the schedule or change the name of the worksheet.
* Save the schedule as a .ods file not a Microsoft Excel .xlsx file, for example Gift Aid Jan 2014.ods.
* If any section isn't applicable leave it blank. Don't enter N/A or Nil.
* Don't include blank spaces or other characters at the start or end of boxes.
* Don't leave a blank row between donations.
* Enter the house name or number and the postcode of all donors that live in the UK. For donors living abroad, enter their address and put X in the 'Postcode' column.
* Stay within the maximum of 1,000 rows of donations.
* Aggregated donations are donations under £20 from different people totalling less than £1000 per line. When you add together donations from the same donor, you must leave the aggregated donations column blank.
* For sponsored events enter the participant's name and address, the date collected, and the total amount raised. Don't include any donations over £500 – these must be shown separately as normal Gift Aid donations.

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	Previously over-claimed amount. Leave blank if none
Box 2	

Don't use a £ sign

Make sure you show the tax not the donation. This amount will be deducted from your claim.

The total below is automatically calculated from the amounts you enter in the schedule.

Total donations:	£0.00

Donations schedule table

Item	Title	First name	Last name	House name or number	Postcode	Aggregated donations	Sponsored event (Yes/blank)	Donation date (DD/MM/YY)	Amount
1									
2									
3									

GASDS Making a claim – not community buildings

https://www.gov.uk/claim-gift-aid-online

HM Revenue & Customs

Gift Aid Small Donations Scheme (GASDS) community buildings

Get it right first time - how to complete this schedule:

Read this!

* Don't enter an amount over the GASDS limit of £5000 (for donations received before 6 April 2016) or £8000 (for donations received on 6 April 2016 onwards).
* GASDS are claimed by tax year - not on your accounting period. Please ensure you separate donations into tax years.
* GASDS must be claimed within two years. If it has been more than two years then your GASDS will now be out of date.
* Don't change the layout of the schedule or change the name of the worksheet.
* Save the schedule as a .ods file not a Microsoft Excel .xlsx file, for example Gift Aid Jan 2014.ods.
* If any section isn't applicable leave it blank. Don't enter N/A or Nil. * Don't include blank spaces or other characters at the start or end of boxes.
* Don't leave a blank row between donations. * Stay within the maximum of 500 rows of donations. * Enter values in pounds sterling including pence.

Fig.1 shows an example of how to complete the schedule. For more information follow the link below. You must be connected to the internet to access the guidance.

Charities Online guidance

Fig.1 Examples	Building name (up to 160 characters)	First line of address (up to 40 characters)	Postcode UPPER CASE and include a space	Tax year 1 ending 5 April (include tax year 3 claims in this column)	Amount of donations received in tax year 1 (£) (include tax year 3 claims in this column)	Tax year 2 ending 5 April	Amount of donations received in tax year 2 (£)
	The Vault	22 Liberty Place	L20 3UD	2014	1500.00	2015	2500.00
	The Vault	22 Liberty Place	L20 3UD	2016	2000.00		
	Bootle Village Hall	11A Grange Road	L20 1KL	2015	1750.00		

The total below is calculated from the amounts you enter into the schedule.

Total of all amounts:	£0.00

Community buildings table

Item	Building name	First line of address	Postcode	Tax year 1 ending 5 April	Amount of donations received in tax year 1 (£)	Tax year 2 ending 5 April	Amount of donations received in tax year 2 (£)
1							
2							
3							

GASDS Making a claim – Community Buildings

https://www.gov.uk/government/publications/gift-aid-schedule-spreadsheets-to-claim-back-tax-on-donations

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Declarations & Record Keeping

HMRC Model Declaration

Charity Gift Aid Declaration – multiple donation

Boost your donation by 25p of Gift Aid for every £1 you donate

Gift Aid is reclaimed by the charity from the tax you pay for the current tax year. Your address is needed to identify you as a current UK taxpayer.

In order to Gift Aid your donation you must tick the box below:

☐ I want to Gift Aid my donation of £_____and any donations I make in the future or have made in the past 4 years to:

Name of Charity _____

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

My Details

Title _____ First name or initial(s)_____

Surname_____

Full Home address _____

Postcode_____ Date _____

Please notify the charity if you:

- want to cancel this declaration
- change your name or home address
- no longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

Charity Name

Donor agrees to Gift Aid being claimed ✓

Donor is taxpayer & responsible for paying shortfall if Gift Aid claimed on donations is more than Income/ Capital Gains Tax paid

Donor's Name – HMRC require full name because they need to be able to trace the taxpayer

Donor's home address – will accept house no and postcode

https://www.gov.uk/claim-gift-aid/gift-aid-declarations

Sponsorship and Gift Aid declaration form

Please sponsor me (name of participant) _____

To (name of event) _____

In aid of (name of charity or CASC) _____

If I have ticked the box headed 'Gift Aid? √', I confirm that I am a UK Income or Capital Gains taxpayer. I have read this statement and want the charity or Community Amateur Sports Club (CASC) named above to reclaim tax on the donation detailed below, given on the date shown. I understand that if I pay less Income Tax / or Capital Gains tax in the current tax year than the amount of Gift Aid claimed on all of my donations it is my responsibility to pay any difference. I understand the charity will reclaim 25p of tax on every £1 that I have given.

Remember: You must provide your full name, home address, postcode & '✓' Gift Aid for the charity or CASC to claim tax back on your donation.

	Sponsor's Full Name *(First name & surname)*	**Sponsor's Home address** *Only needed if are Gift Aiding your donation. Don't give your work address if you are Gift Aiding your donation.*	Postcode	Donation Amount £	Date paid	Gift Aid? '✓'
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
		Total donations received	**£**			
		Total Gift Aid donations	**£**			
		Date donations given to Charity or CASC				

Evidence of declarations

written declaration made by the donor or a ticked box confirmation by the donor that they wish Gift Aid to apply to the donation
an audio recording of the making of a declaration by the donor or an audio recording of the donor confirming a declaration where the declaration is pre-recorded by the charity
a computer record of a declaration template filled in by the donor and containing a link to the donors banking details

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Evidence of declarations

an emailed copy of a declaration

a computer ‘screen print’ of the declaration sent to the charity

a scanned image that’s an exact replica of a declaration

a copy of a mobile phone text message confirmation of a declaration

confirmation that a donor has been sent a written record confirming their oral declaration

https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-37-recording-and-audit-of-gift-aid-declarations

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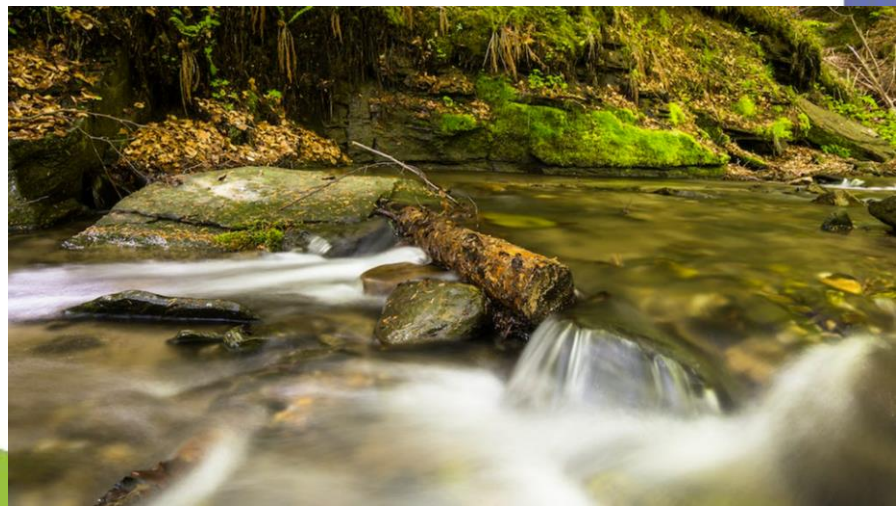
Record Keeping – Gift Aid

- Declarations
- Evidence of donations
  - Standing Order forms plus log of donations
  - Planned giving envelopes
  - One-off donation – gift envelope or declaration
- Correspondence – HMRC recommend checking contact details every 2 years – but make sure GDPR compliant
- Records of benefits given to donors
- Standard – keep records for 6 years



Keeping records - GASDS

- Two people check and count the cash collected.
- You need to record:
  - how much money was collected, including denomination of all notes
  - Confirmation collected in UK
  - the date the money was collected
  - that no individual donation > £30
  - the date the money was banked (in charity named bank account)
  - Contactless donations – can all be separately identified and banked
- Keep records of small donations you've received for 6 years from the end of the tax year to which they relate.

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Keeping records – GASDS Community buildings

the address and postcode of the community building
the address (or addresses) where the donations were collected and the date of each collection
how and when that building met the charitable activity requirements

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Common elephant traps

- Missing donation dates
- Confusion between Charity Reg no and HMRC ref No
- Claim submitted by unauthorised person (eg before records changed)
- Entering GASDS claim on same Schedule spreadsheet as Gift Aid
- Misunderstanding aggregated donations
- Confusing GASDS with aggregated donations and vice-versa
- Updating CC records but not HMRC records

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What makes a donation a “Gift”?

The benefit rule

No significant benefit given in return either to the donor *or to person connected with them*

Value of benefit defined as value to recipient not cost to charity

Relevant value test & aggregate value test

Newsletters & literature explaining charity's work, or "simple plaque" not counted as benefits

Beware of the line between acknowledgement and advertisement

https://www.gov.uk/guidance/gift-aid-what-donations-charities-and-cascs-can-claim-on#the-benefit-rule

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The benefit rule

- Can claim Gift Aid if benefit doesn't exceed certain levels:

Donation	Maximum value of benefit
up to £100	25% of the donation
Over £100	£25 plus 5% of the donation amount above £100
Annual cap	£2,500

https://www.gov.uk/guidance/gift-aid-what-donations-charities-and-cascs-can-claim-on#the-benefit-rule

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When can’t you claim Gift Aid?

donations of money from a company – they organise the tax benefit
gifts made on behalf of other people, eg membership subscriptions paid for somebody else
gifts that come with a condition about repayment
gifts that come with a condition that the charity buys goods or services from the donor

https://www.gov.uk/guidance/gift-aid-what-donations-charities-and-cascs-can-claim-on#when-gift-aid-cant-be-claimed

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When can’t you claim Gift Aid?

payments received in return for goods or services eg admission to a concert or a fee for a sponsored challenge
a ‘minimum donation’ where there is no choice about payment
gifts made using ‘charity vouchers’ or ‘charity cheques’
donations received before you were recognised by HMRC as a CASC or a charity
collections from a number of people paid in by a single donor

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Special Rules (list not exhaustive)

Charity membership fees	May qualify if for membership only, not personal use of facilities.
Volunteer expenses donated back	Only if actually claimed and paid back
Charity Events	Ticket price and minimum donation don't qualify – anything above that does.
	Genuine pay what you like – everything qualifies
Admissions to charity property	Extensive and detailed rules/crosses over with VAT on admissions
	Broad rules – donation of 10% more than cost of admission, or donation that allows right of admission for 1 year
Sponsored marathons/challenges	All donations eligible if participant pays for own entry fee/flights & accommodation
	Otherwise donations from "connected persons" not eligible
Charity Auctions	Clear market value and donor aware – excess qualifies as gift
	Doesn't apply to unique items like autographed shirts => benefit = payment

https://www.gov.uk/guidance/gift-aid-what-donations-charities-and-cascs-can-claim-on#introduction

Gift or no Gift

Ms Smith makes 6 unconnected donations to a wildlife charity as follows:

Date	Amount	Benefit
6 May 2021	£30	nil
21 June 2021	£10	nil
18 Aug 2021	£25	Nil
5 Feb 2022	£80	Fashion book worth £30
11 March 2022	£9,600	Weekend break worth £450
4 April 2022	£50,000	Package of benefits worth £2,500

Donation	Maximum value of benefit
up to £100	25% of the donation
Over £100	£25 plus 5% of the donation amount above £100
Annual cap	£2,500

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Gift or No Gift?

- Rita gives money to a local sailing charity for a new boat and they name it “Lovely Rita Jones” in her honour. ✓
- I join a local conservation charity for an annual fee of £60. They send me a soft toy worth £6 & each quarter the newsletter which has a cover price of £3.00 ✓
- Raj gives £500 to his local community Centre. To thank him they send his mother flowers & chocolates costing £50 ✗

Donation	Maximum value of benefit
up to £100	25% of the donation
Over £100	£25 plus 5% of the donation amount above £100
Annual cap	£2,500

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Gift or No Gift II

Charity Fundraising Dinner – attendee is a long-time supporter for whom the charity holds a gift declaration

a. Ticket price £100, includes £50 donation to the charity ✘

b. No entry fee – suggested donation (completely voluntary) of £50 to cover costs, attendee pays £100 ✓ £100

- Dave is a long-time supporter of his local hospice & they hold a gift aid declaration from him. He has a charity collection at work for them, it raises £200 which he sends to the charity. ✘

Donation	Maximum value of benefit
up to £100	25% of the donation
Over £100	£25 plus 5% of the donation amount above £100
Annual cap	£2,500

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Retail Gift Aid Scheme

- No gift aid on goods donated for resale as they aren't money
- HMRC approved way of selling goods as agent of donor and claiming Gift Aid on net proceeds
- HMRC provide detailed guidance
- Charity Retail Association provide Retail Gift Aid Training

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Final thoughts:

- Record keeping not difficult, just detailed – keep on top of it
- Ditto making claims
- Think about where it's best to claim Gift Aid or use GASDS
- Bookmark https://www.gov.uk/claim-gift-aid
- If in doubt – HMRC Charities Helpline usually very responsive 0300 123 1073

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Helpful resources

Charity Tax Group

https://www.charitytaxgroup.org.uk/tax/donations/gift-aid/

Institute of Fundraising

https://www.institute-of-fundraising.org.uk/guidance/managing-fundraising/tax-effective-giving-and-vat/gift-aid/

Sayer Vincent Made Simple Guide

https://www.sayervincent.co.uk/publications/gift-aid-made-simple/

Gov.uk

https://www.gov.uk/claim-gift-aid

https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid

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Feedback please! https://forms.office.com/r/drqa3cx5QX.

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