

Gift Aid

By:

Gillian Thorpe

Charity Management Lead

Gift Aid

Gift Aid makes your donations go further

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A great way for a charity or Community Amateur Sports Club to increase income is to claim Gift Aid on any eligible donations.

The Gift Aid scheme allows you to claim an additional 25% on allowable donations which can be done via many Customer Relationship Management systems, or directly to HMRC.

There may be a fee for using a CRM, but claiming directly with HMRC is completely free and a very simple process.



Eligible donations are those made by UK taxpayers resident in the UK, crown or armed forces personnel who are working overseas and non-residents who pay UK tax at least equal to the amount of their donation.

The donation has to be their own money, and cannot be transactional, by which we mean that it cannot be in return for goods or services.

It is for this reason that many fundraising initiatives will suggest a donation rather than charging a price.

If a minimum donation is stipulated, this would not qualify for Gift Aid, but a donation over that amount would.

A suggested donation would qualify, so long as it is not compulsory to donate.



Volunteer expenses would also qualify should they choose to gift these back once claimed.

There are specific rules relating to how donations could qualify for Gift Aid under sponsored challenges, membership schemes, charity shops and charges for viewing a property and the HMRC website explains these very clearly should you want to know more.

Tickets for events are specifically excluded, however, even if the amount paid is higher than the ticket price, as this is counted as profit rather than a donation.



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In order to claim Gift Aid, you must obtain a declaration from the donor stating that they are a UK taxpayer and that you have their permission to make a claim.

The declaration can be verbal or in writing and can cover multiple donations.



Your declaration forms must include the name and address (including postcode) of the donor, the charity name and a declaration that the donor has paid an amount equal to or more than the donation in Income Tax or Capital Gains Tax that financial year. It must also mention that they give consent for you to claim Gift Aid.

It's not necessary to obtain a signature.

These forms need to be retained for 6 years after the latest claim for that donor.

You can, if you wish, gather other information such as contact details, but you must ensure that you include any relevant GDPR messaging as well.

You do not need to get your forms approved by HMRC, but they will check them for you if you need confirmation that they are adequate.



It is also possible to claim gift aid on donations where you do not have a declaration under the Small Donations Scheme.

This can be claimed on cash or contactless donations up to the value of £30.

Your claim under this scheme cannot be 10 times more than your Gift Aid claim in that year for example, if you have submitted a Gift Aid claim of £100, you can claim up to £1,000 under the Small Donations scheme for any donations under £30 where you do not have a completed declaration.



The small donations scheme can apply to onsite donations you may have in community buildings.

For somewhere to count as your community building, it needs to have hosted at least 6 charity events which were each attended by at least 10 people.

If you are making a claim under the Small Donations Scheme, you will need to submit this at the same time as a claim for Gift Aid.



As mentioned earlier, many Customer Relationship Management systems offer an option to claim Gift Aid on your behalf and this could be useful if you are already using a CRM.

If not, a spreadsheet can be downloaded from HMRC's website and there are clear instructions provided to help you submit your claim.

You will need to complete the donor's name, house name or number, postcode, and the amount and date of the donation.



It is worthwhile checking whether your CRM can claim under the Small Donations Scheme for Community Buildings as not every platform is able to do this.

The process to do so direct with HMRC is really straightforward though, so do not worry if they don't offer this service.

Gift Aid is a really easy way to maximise your donation income and the process is much easier than you may think.



Thank You!

I hope this is a helpful run through of Gift Aid, if you do need anything further, please do get in touch or visit the [gov.uk](https://www.gov.uk) website which is very helpful.

At Good Fundraising, we're dedicated to supporting all your fundraising needs with tailored approaches that suit your organisation.

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www.goodfundraising.co.uk

cath@gfco.uk

07974 703182