

# Gift Aid Guide



## Gift Aid & Gift Aid Small Donations Scheme (GASDS)

**An information guide for Treasurers,  
Planned Giving Promoters, Gift Aid secretaries,  
clergy and parish administrators**

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# Gift Aid Guide

## Contents

Introductory Letter from the Giving and Funding team	3
Gift Aid - Keeping the Records Straight	4
Gift Aid Small Donations Scheme (GASDS)	7
Claiming the Money (Gift Aid and GASDS)	9
Example Records (Gift Aid)	
Example of an Individual Donor's Gift Aid Record	12
Example of a Summary of Gift Aid Donations	13
Sample HM Revenue & Customs Online Claim Form (Gift Aid schedule)	14
Who's Checking; and Thanking Donors	15
Frequently Asked Questions	
Questions a Parishioner might ask about Gift Aid	16
Some Practical Ideas for making more of Gift Aid	
Practical suggestions, Sponsored events	18
Gift Aid envelopes, Share sales & ebay sales	19
More help from HMRC - Refund/Loan Waivers and Gift Aid Carry Back	20
Sample Letters and Forms (Gift Aid):-	
Thank You for your Gift Aid Declaration	21
End of Year Thank You and Record of Gifts	22
Sample Stand-alone Gift Aid Declaration	23
Sample Pledge and Banker's Order form (including Gift Aid)	24
Sample Sponsorship and Gift Aid Declaration form	25
What kind of envelopes?	26
Computer Software	27
The Gift Aid Logo & Making it Easier	28
Helpline & web advice; Changes in Income Tax rate; Credits	29

## **From the Giving and Funding team**

Gift Aid is a Government scheme which allows charities, including churches, to reclaim the basic rate of tax paid by donors on donations. This can be applied to any amount of money, large or small, regular or one-off, providing the donor is a taxpayer, and that a Gift Aid Declaration is received.

This Declaration will usually either cover ongoing donations (and it can be also be backdated to cover all donations received in the last 4 years), or it will cover a one-off donation, when the Declaration is usually printed on to the envelope in which the donation is received.

The fear of increased paperwork and the need for tighter record-keeping should not prevent us from making the most of the Government's wish to help charities (and your PCC is one) with their finances. Gift Aid tax claims can be substantial. In 2017, parishes in the Diocese received over £2.6 million in tax reclaimed on Gift-Aided giving, which is over £5,700 for an 'average' parish.

In addition, the Gift Aid Small Donations Scheme (GASDS) enables churches and charities to claim a payment on small cash, contactless or chip & PIN donations up to and including £30 (from April 2019) where it is not possible or easy to obtain a Gift Aid Declaration, up to a limit of £8,000 of donations per church per year. Retrospective claims can be made back as far as 2 tax years.

This guide is designed to help church Treasurers, Gift Aid Secretaries and Planned Giving Promoters make the most of the system. There are examples from a fictional parish to help with points which may be confusing.

You can keep records on a simple spreadsheet; however there are some thoughts on software later in this guide. HM Revenue & Customs are discouraging handwritten claim forms, so if you do not have a computer, you may find it easier to ask around in your parish to find someone who has one and can make your claim, or to make use of your local library where you may find some support with this. Even the smallest parish can easily be receiving a worthwhile stream of income from HM Revenue & Customs.

Step by step, the pack outlines what you can do to make the system work for your church. In so doing, you will be playing a key role in challenging givers to give as much as they are able to the work of God's Kingdom.

If we can be of any assistance to you with Gift Aid or giving matters, please get in touch.

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<https://www.bathandwells.org.uk/parish-support/christian-giving-and-funding/>

## Gift Aid – Keeping the Records Straight

The whole Gift Aid scheme hangs on two elements:-

- A Declaration which is made by the giver, and kept by the church's responsible officer – the Treasurer, Gift Aid Secretary or Planned Giving Promoter.
- An 'audit trail' – the ability to check that the donations being claimed for by the church have actually been made by the giver.

With these in place, the way is clear for you to reclaim the tax from HM Revenue & Customs, currently at 20%, 25p for every £1 donated under Gift Aid.

### The Gift Aid Declaration

There are model forms available for the Declarations (see pages 19, 22 & 23). Providing all the criteria are met in the printed text, the Declaration can be a simple 'tick box' on a form. The charity must be named, the giver's full name and address (minimum of house number/name & postcode) given, and the gift(s) to which the Declaration refers identified. There must be a statement that the giver intends his/her money to be regarded as Gift Aid donations, is a taxpayer and understands that if they pay less Income and/or Capital Gains Tax than the amount of Gift Aid claimed on all their donations in that tax year it is their responsibility to pay any difference. The date is needed to identify the donation(s) eg 'all donations I make from today', or completed on the envelope containing the donation.

**Example: Bert Fry uses his weekly envelopes to give £20 per week. He has signed a Gift Aid Declaration. Now he wants to give £100 to the Bell Fund, but does not want to be bothered with filling in any more forms.**

Bert's new gift is covered by his previous Declaration, so long as it included a phrase such as, '... and all future gifts I may make to St Stephen's Church'. Of course, you have the Declaration on file, so you can check it. If it is OK, you are £25.00 to the good and Bert does not have to cope with more paperwork.

### Declarations & Retrospective Claims

The Declaration does not have to specify an amount – it is totally flexible. Nor is it 'from this day forward'; a donor can backdate their Declaration as far as the normal time limit within which tax can be reclaimed, usually 4 years. This means that you can claim tax back on 'old' donations – so long as you can still demonstrate from paper records that they were actually made.

### The Audit Trail

The audit trail means that you must keep proper records of individual gifts. This must be done on a confidential basis, so that only the giver and the relevant PCC officer know who gives what. Standing Orders or traditional envelope schemes do this very well, of course, and there is no need for any new system to be developed. However, the need for an audit trail means that simple cash gifts on the plate cannot be Gift Aided; you need the 'identifiability' of envelopes or other systems.

**Example: Mr Aldridge says he put a £50 note on the plate at Christmas.**

This would **not** be covered by a backdated declaration as there is no evidence of the gift – and hence no audit trail. Next Christmas, make sure there are Gift Aid envelopes in the pews, and benefit by £12.50!

There are four main ways for givers to give under Gift Aid:-

- Payments direct from their bank to you by Standing Order
  - Traditional planned giving numbered envelopes
  - Payments by cheque.
- These three all need to be supplemented by a Gift Aid Declaration.

- One-off Gift Aid envelopes carry their own Declaration & do not need another form.

Whichever method givers use, you as the Gift Aid recorder need a proper record of who has given what, and whether they have made a Gift Aid Declaration. Should HM Revenue & Customs decide to check your claims, you will not be caught out claiming for Mr Aldridge's supposed Christmas generosity, and you will be able to produce evidence of Mrs Woolley's faithfulness!

### Where can the money go?

Usually, donors will be giving to the general funds of the PCC – just as the money on the plate goes into general funds.

But there will be occasions when they may wish to give to a special fund of some sort – the Flower Fund or the Bells Appeal. In terms of the PCC accounts, these will be gifts into Restricted Funds. You need to know how much they gave to each fund so you can allocate the tax reclaimed between the funds. Reclaimed tax goes where the original money went.

**Example: Mrs Woolley does not attend Church. However, she gave a total of £250 by weekly envelopes last year but only had a Declaration form early this year. You would like to get the tax back on last year's gifts.**

This would be covered by a backdated Declaration as long as you still have the envelope stubs or some other record of her giving. You could then receive £62.50 for last year's giving from HM Revenue & Customs.

**Example: Shula Hebden gives £225 per quarter by Standing Order (ie £900 per year). But she also gave £200 in cash (in a Gift Aid Envelope) for the Flower Fund. What do you do when the tax is reclaimed?**

Over the year, you can receive a total of £275.00 in Gift Aid reclaims: but you need to credit £225.00 of it to the general fund, and £50.00 to the Flower Fund.

### Keeping Easy Records

**Record-Keeping Tip:** A good recording system will make it very simple to have the right figures to hand to transfer across to the HM Revenue & Customs claim to get the tax back (see page 14).

We recognise that parishes will have very different ways of keeping records and different levels of computer use. The following is provided as a guide as to what sort of records you need to have to hand in order to make claims and to allocate the figures to the right place in your accounts. Have a read through this and the information on claims on pages 9 - 10 and work out a system which is right for you and your parish.

Keep a record for each donor (see example on page 12), which should include their name, address and postcode, envelope number (if they have weekly envelopes) and a note saying whether or not they have completed a Gift Aid Declaration and the date from which it took effect.

**Record-Keeping Tip:** Make sure your records indicate how you received each gift (whether by numbered or special envelope, by cheque or Standing Order). Some people will use more than one method during the year, and you need to be able to track each and every gift.

For each donor, you should record:-

- All donations from that person – date and amount
- Method of giving on each occasion
- Purpose of the gift (ie general or restricted fund), so that you can total up the amount to be claimed for each restricted fund and the related amount of tax which should go into the same fund (see summary on page 13).

**Record-Keeping Tip:** On each Gift Aid envelope, write the amount and initial/sign. Bundle eligible Gift Aid envelopes (those with a completed Declaration, for up to £20) together, say for each month, where the total of each bundle is less than £1,000, with a note on the front of the bundle with the date, number of envelopes and total.

### Aggregating small donations

Charities can add together individual donations up to and including £20 and put them on one line on the HMRC claim form rather than having to list all the donors' names individually for smaller amounts, eg one-off Gift Aid envelopes for visitors. Each aggregated line on the claim form must not exceed £1,000, but you are allowed as many lines as you wish on a claim schedule. To claim Gift Aid on aggregated donations, do not enter the name and address of individual donors as this will slow down your repayment claim. Instead you must enter:-

- a simple description like 'Thursday club donors' in the 'aggregated donations' box (maximum of 35 characters);
- the date of the last donation; and
- the total amount raised.

Only add together donations that were made within the same accounting period. Your accounting period ends on the date to which you prepare accounts.

### Borderline cases

- **Husbands and wives who give jointly:** Spouses or people living at the same address can make a joint declaration (in effect two or more declarations on the same form). The details of each donor must be included and joint donations will be split equally between the donors, unless otherwise instructed. It is not required that all donors sign the form. Where requested, one signature will suffice.
- **People paying only a small amount of tax** (ie lower earners or those only paying tax on savings or on dividends from investments) can use Gift Aid – but only to the extent that the tax you reclaim has actually been paid by them.
- **Higher-rate taxpayers:** Your Gift Aid claim only applies to their basic rate tax; they will claim the marginal relief on the rest via their Tax Return. You may wish to encourage them to donate this extra tax relief to your church!
- **Non-residents:** Gift Aid only applies to UK taxpayers, normally resident in the UK. The exception is members of the Armed Forces can use Gift Aid wherever they are based.

## **Gift Aid Small Donations Scheme (GASDS)**

The Gift Aid Small Donations Scheme (GASDS) enables charities, including churches, to claim a top up payment on cash, contactless or chip & PIN donations up to and including £30 (from 6 April 2019, previously £20) where it is not possible or easy to obtain a Gift Aid Declaration, up to a limit of £8,000 of donations per church per year.

All PCCs or charities registered for Gift Aid with HMRC are eligible to use the scheme, providing you have not incurred a penalty relating to a Gift Aid or GASDS claim in the current or previous tax year.

To be eligible, donations must be small cash or contactless donations:-

- Small – donations of £30 or less (£20 prior to 6 April 2019)
- Cash, contactless or chip & PIN – in coins or notes, either loose or in a planned giving envelope with no Gift Aid Declaration. Not eligible: Standing Orders, cheques, text, online giving.
- Giving/donations only – not money from raffles, tombolas, sales, fundraising events nor other income which would not qualify for Gift Aid.

Donations must be:-

- From individuals
- On which no Gift Aid claim has been made or will be made.
- Banked or received in a UK bank or post office account.

**Churches can claim on donations up to and including £30 as follows:-**

- Cash, contactless donations and chip & PIN received during all services.
- Regular giving envelopes on which no Gift Aid declaration has been received, providing the same donor has not given more than £30 (£20 prior to 6 April 2019) at the same service.
- Donations left by visitors in wall safes (where the wall safe only collects donations and is not also used for payments for the sale of postcards, books, etc) and equivalent donations made by contactless and chip & PIN.
- Cash, contactless and chip & PIN donations received outside the building.

**How much can my church claim?**

In each tax year (6 April to 5 April), each church (rather than parish) can claim up to £8,000 of eligible donations in each of its church buildings. If a church receives less than £800 of Gift Aid donations during the tax year, the threshold for the Gift Aid Small Donations scheme is limited to 10 times the value of Gift Aided donations claimed. So it is a requirement of the GASDS that you keep the Gift Aid register going and have sufficient Gift Aided donations for the GASDS donations on which you are claiming. Even for smaller churches, the £8,000 GASDS threshold could easily be reached if a funeral or other event brings in extra cash.

HMRC has agreed that parishes within a diocese are not connected under the scheme.

**PCCs with a single church, or PCCs with more than one church but whose eligible donations in total are not more than the £8,000 limit** can now claim on the main Top Up element of the scheme and do not need to consider numbers attending, and can include wall safe donations, those received outside the building, etc. You can only claim on the main Top Up element rather than the Community Buildings element of the scheme. See <https://www.churchofengland.org/sites/default/files/2023-01/12a-GASDS-single-church-parishes.01.2023.pdf>. Note that chip & PIN donations up to £30 are now eligible.

**PCCs with more than one church** should claim under the Community Buildings element, which enables them to claim up to £8,000 per church/community building, unless they are small and the aggregate of their eligible donations is less than £8,000 in which case they can use the main Top Up element (see above). You can claim under the Community Buildings element only. Any donations received outside the building must be received in the same Local Authority area (District Council area) as the community building. See <https://www.churchofengland.org/sites/default/files/2020-10/12b-GASDS-multi-church-parishes.pdf>. Note that chip & PIN donations up to £30 are now eligible. For a church to count as a Community Building, it must be used for charitable activities (including services) at least 6 times in the year with at least 10 people attending. There is no longer a requirement to have at least 10 people attending every service. Regular services or church plants in other public buildings – eg schools, community halls, etc – can also count as a separate Community Building, eligible for a further £8,000 of donations, providing it is used for worship/charitable activities at least 6 times a year with at least 10 people attending. <http://www.parishresources.org.uk/wp-content/uploads/12c-GASDS-and-Church-Plants.pdf>. However, buildings on adjoining land, eg a church hall on land adjoining the church, do not count as separate community buildings for the scheme.

#### **What records must be kept for the GASDS?**

- Records which separate out eligible donations from non-eligible donations. For services, use a simple form which records separately: cash, contactless donations and chip & PIN eligible for GASDS; Gift Aided donations; and items not eligible for either eg cheques and cash/contactless/chip & PIN donations over £30 (£20 prior to 6 April 2019). You will need a way of recording planned giving envelopes to record which are eligible for Gift Aid, which for GASDS, and which for neither. Sample vestry sheet forms are available on the Parish Resources website, see the single/multi church parishes links above.
- Bank paying in slips – record the total number of £50, £20, £10 notes etc on the counterfoil. Small donations must be banked at a bank or post office in the UK and you must keep the paying in slips as evidence that at least the amount being claimed under GASDS was banked and that the amount being claimed comprises £20 notes or smaller. You do not need to bank GASDS donations separately from other donations.
- End of year accounts – differentiate between collections at services, collections in separate church hall/school, etc.

#### **Retrospective claims**

You can make retrospective claims back as far as 2 years from the end of the tax year in which the donation was made.

National church guidance: <https://www.churchofengland.org/resources/building-generous-church/enabling-giving/giving-mechanisms/gift-aid>

HMRC: <https://www.gov.uk/government/publications/charities-detailed-guidance-notes>



## Claiming the Money (Gift Aid and GASDS)

There are 3 different ways to claim from HM Revenue & Customs. For most churches, the best way will be to use the new HMRC online claims system as, once set up, it should be easier to make your claims and you will receive the money more quickly, directly into your bank. An alternative option is to use specialist software which submits the data direct to HMRC, eg Data Developments' Donations Coordinator (see page 27; a discount, currently about £30, is available for parishes purchasing this through the Church of England's Parish Buying service <http://www.parishbuying.org.uk>). The third option is a manual paper system (ChR1 form), but this will be very cumbersome for all but the very smallest churches, as it involves completing all the donor details in every claim in passport-style boxes for individual letters. Data Developments also offers a Gift Aid and GASDS service which may be of interest to parishes with a small number of donors who may prefer not to use the online claims process themselves (see page 27).

If you have not already registered with HMRC for Gift Aid, you need to do this first. The online form asks for your charity registration number. Please note that this is only applicable to PCCs with an income over £100,000, who should have registered with the Charities Commission; if your income is less than £100,000, you are an excepted charity and should put on the form, 'We are currently excepted from registration by The Charities Act (Exception from Registration) regulations 2008'.

### Online claims

There are 3 stages to claiming online:-

**Stage 1:** Register to claim Gift Aid. Visit [www.gov.uk/claim-gift-aid-online](http://www.gov.uk/claim-gift-aid-online) and, under 'Before you start', click 'Add Charities Online' then click 'Create sign in details' under the sign in to register. Your 12 digit Government Gateway User ID will then be generated and also emailed to you.

You can then choose the type of account 'Organisation' and add a Business tax account (which includes charities), add a tax duty or scheme to your account: 'Other taxes or schemes', select 'Charities - for Gift Aid repayment'. You will then need to input your HMRC Charities Reference Number (often beginning with an X), the postcode of the address registered with HMRC (usually your authorised official) and either the last 4 digits of your organisation's bank account into which HMRC pay Gift Aid or, if you registered with HMRC after 6 April 2013, your customer account number. HMRC will then send you an Activation Code, which takes about 12 days; you then need to re-visit the site to put this code in.

**Stage 2:** Make sure that you are keeping your Gift Aid records in a format from which you can easily upload spreadsheets in the format required by HMRC. These must be in Open Document Format. (ODF). This means that you will have to have installed on your computer either: Microsoft Office Excel 2010 for Microsoft Windows; or LibreOffice 3.5 for Microsoft Windows, Apple Mac OS and Linus. You can download LibreOffice for free by following the link on <https://www.gov.uk/guidance/schedule-spreadsheet-to-claim-back-tax-on-gift-aid-donations>. This also links to the Gift Aid schedule spreadsheet which you will need to attach, which can be produced in LibreOffice or in Excel and then data cut and pasted into the LibreOffice spreadsheet. For each donor, you will need to enter their title,

initial or first name, surname, house name or number, postcode, date of their donation or last in the series, and total amount of their donations for which you are claiming. There is a column for you to include Aggregated donations, eg 'September 2020 one-off envelopes'.

For donations from a sponsored event, you do not need to include individual donors' details except for donations over £500. Instead, enter the participant's name and address, enter 'yes' in the sponsored event box, enter the date the sponsorship money was received by the church and the total amount raised by all donations from this participant. If any of the donations are £500 or over, these should be shown as if they were normal Gift Aid donations; do **not** enter 'yes' in the sponsored event box.

If you are also claiming under the Gift Aid Small Donations Scheme, you can now claim under either the main Top Up element or the Community Buildings element (see page 8). If claiming under Community Buildings, you will need a Community Buildings spreadsheet, see <https://www.gov.uk/guidance/schedule-spreadsheet-for-community-building-gasds-claims> to complete with the name, address and postcode of all the community buildings in which small donations have been given - eg your church(es), separate hall/school if sufficient services have also been held there with enough people present. <https://www.churchofengland.org/resources/building-generous-church/enabling-giving/giving-mechanisms/gift-aid>.

**Stage 3:** Make a claim online <https://online.hmrc.gov.uk>, which can include both Gift Aid and the Gift Aid Small Donations Scheme (GASDS, see page 7). Log back on to the Government Gateway, select 'View Account' then 'Make a charity repayment claim'.

- Answer 'yes' or 'no' as appropriate to 'Are you claiming Gift Aid?'
- Answer 'yes' to 'Are you claiming a top up payment for small cash donations under GASDS?'
- **If you are claiming for one church, or several churches with aggregated donations of no more than £8,000:** Answer 'yes' to 'Are you claiming a top up payment under GASDS for donations that were not collected in a community building?' and 'no' to 'Are you claiming for donations collected in community buildings?'
- **If you are claiming for more than one church within your parish under the Community Buildings element:** Answer 'no' to 'Are you claiming a top up payment under GASDS for donations that were not collected in a community building?' and 'yes' to 'Are you claiming for donations collected in community buildings?'
- Answer 'no' to 'Are you connected to any other charities or CASCs for the purposes of GASDS?'
- Under 'About the Organisation', if your PCC income is less than £100,000, put 'None' under 'Charity registration number'.
- Answer 'no' to whether you are a Corporate Trustee; this has nothing to do with whether you are a PCC member.
- Your 'authorised official' is the person notified to HMRC who is authorised to claim on your behalf.

If you are claiming under Gift Aid, you need to attach to your claim the Gift Aid Schedule spreadsheet you prepared and, if you are claiming under the Community Buildings

element, your Community Buildings Schedule spreadsheet. For a step-by-step guide through the whole online claims process from the national church, see <https://www.churchofengland.org/sites/default/files/2020-10/Claiming-Online-December-2019.pdf>.

### **Frequency of Claims**

You can claim as often as you like. Some Treasurers just claim at the end of the year, and then receive a large payment. Others send off a claim every quarter, or more frequently, to help the cash flow. If you get an odd large gift, you might want to claim straight away. If you are running an appeal, you will want to time the reclaim to fit in with the progress of the project.

### **Authorised Officials**

Parishes can appoint up to two authorised officials for communication with HMRC. Appointing a second official can be useful in case of queries with HMRC when the first person is unavailable, eg away on holiday/business, sick leave etc, to avoid unnecessary hold ups which could result in later payment of Gift Aid/Gift Aid Small Donations Scheme reclaims. HMRC has a form for charities to change details, which is designed to be downloaded and completed on your computer for printing and signing, at: <http://www.hmrc.gov.uk/charities/chv1.pdf>. In the 'Changes to the authorised officials details' section, use the 'Add another authorised official change' button to add details of a second person.

### **HMRC Charities Online helpline**

The HMRC website has guidance on how to claim online at <https://www.gov.uk/guidance/claim-tax-back-on-donations-using-charities-online>

**HMRC Charities Helpline: 0300 123 1073**, Monday - Friday 8.30 am - 5.00 pm (excl bank holidays).

## Example of an Individual Donor's Gift Aid Record

Mr Bert Fry	Envelope No 44	Gift Aid Declaration made: 16/6/01
1 The Street, AMBRIDGE, BA00 0XX		

Date	Method of Gift	PCC Gen-eral Funds	Bell Fund Appeal	Flower Fund	TOTAL to date
7/4/20	Planned Giving envelope	20.00			20.00
14/4/20	Planned Giving envelope	20.00			40.00
21/4/20	Planned Giving envelope	20.00			60.00
28/4/20	Planned Giving envelope	20.00			80.00
28/4/20	Gift Aid Envelope		100.00		180.00
		<b>80.00</b>	<b>100.00</b>		<b>180.00</b>



## Who's checking?

HM Revenue & Customs can visit your church to inspect the records relating to tax claims. They must give you 28 days' notice. This does happen, usually on a 'random check' basis, and experience shows that they will check:-

- The Declarations
- The audit trail – envelope registers, bank records, etc
- Samples of used envelopes.

They may also undertake 'spot checks' by asking you to fill in a self-assessment return about your claims.

HMRC now operate a "de minimis" error level of 4%, below which charities which claim a total of less than £2,500 in Gift Aid repayments each year will not be penalised for errors in their Gift Aid claims. Further, HMRC will accept that where charities and churches can repair errors identified in a population within an audit sample, they will extrapolate that repaired error rate across the population rather than the error rate found in the first instance. 'Repaired' means that the charity finds the missing Declaration, or obtains a new (or fully completed) Declaration from the taxpayer.

**Record-Keeping Tip:** To be able to deal with a Revenue inspection, you need to keep Gift Aid records for 6 years after the end of the tax year or accounting period to which the claim relates. Keep all individual Gift Aid envelopes and samples of numbered/dated envelopes – an accepted 'sample size' is one month per year. Gift Aid Declarations must be kept for 6 years after the end of the tax year or accounting period which includes the latest donation to which they relate.

## Thanking donors

It is good practice to write to each donor annually to thank them for their contribution. This is best done at the end of the accounting year, as you will have the figures to hand for the Gift Aid return, although it could be done at the end of the tax year. This is also a good opportunity to write to your other planned givers who are unable to make a Gift Aid Declaration, to thank them as well.

This is not the time to ask for more money - you could say what their donations have enabled the church to achieve, giving examples of ministry to bereaved families, work in the school, mission projects in the community, etc.

A sample thank you letter may be found on page 22, with further examples downloadable from our planned giving webpages at:

<https://www.bathandwells.org.uk/parish-support/christian-giving-and-funding/planned-giving/>

**Remember: people can withdraw a Declaration at any time – though it must be done in writing.**

# Sample HM Revenue & Customs Online Claim form (Gift Aid schedule)

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

**Total donations: £800.00**

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	Mr	Bert	Fry	1	BA00 0XX			28/04/20	180.00
2	Mrs	Caroline	Pemberton	The Dower House	BA00 0XY			07/04/20	30.00
3	Mrs	Susan	Carter	3	BA00 0XX			21/04/20	50.00
4		Shula	Hebden	The Stables	BA00 0XA			28/04/20	425.00
5	Mrs	S	Woolley	3	BA00 0XB			30/04/20	80.00
6						April 2013 envelopes		30/04/20	35.00

# Frequently Asked Questions

## How do I start Gift Aid?

By handing in a Gift Aid Declaration – a statement in writing giving your name and address, stating that you wish your church to reclaim tax you have paid on donations you make and that you understand that if you pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all your donations in that tax year (currently 25p for every £1 given) it is your responsibility to pay any difference.



## Must I fill in a form?

No, Gift Aid Declarations can be made on pre-printed envelopes – very useful for ‘one-off’ gifts (say for an Appeal, or for occasional worshippers). But a single Declaration is best for most parishioners, as it covers ongoing gifts.

You **can** make a verbal Declaration, but it will not become effective until the church gives you a written confirmation. You will have a 30 day ‘cooling off’ period to change your mind.

## Is there a minimum or maximum gift?

No, it can be for any amount, given as a one-off or in instalments (weekly, monthly, etc) over any time period – as long as you have paid tax on that amount of money.

## Can I say what I want the money spent on?

Normally, you would make a donation to the general funds of your church, like a normal planned giving offering or other gift. However, Gift Aid can also be used for specific purposes like a Bell Fund or Building Appeal, where the money would go into a PCC Restricted Fund. If you want to buy a gift for your church, it may be better for you to give the cost as a Gift Aid donation. The church will buy the gift with your money, and get a bonus when the tax is reclaimed! A retiring collection, for example after a wedding, can also come under Gift Aid if envelopes are used.





### How do I give my donation?

Cash on the plate cannot be Gift Aided as there is no tax audit trail back to the giver. So you need to use:-

- A bank Standing Order or a cheque
- Weekly/monthly planned giving envelopes
- A one-off Gift Aid envelope

### How flexible is donating through Gift Aid?

You can Gift Aid both your regular planned giving and also make one-off donations through Gift Aid. You can review the amount you give at any time.

### Gift Aid means that . . .

if you pay during the tax year an amount of Income Tax and/or

Capital Gains Tax at least equal to the amount of Gift Aid which will be reclaimed on all your donations during the tax year (currently 25p for every £1 given); and

if you tell your church Treasurer that you want him or her to reclaim tax on any donation(s) you make to the church; and

if the Treasurer can demonstrate that a sum or sums of money came from you (the audit trail)

**then** the tax you have already paid can be reclaimed from HM Revenue & Customs (25p for every £1 you donate).

*giftaid it*

### I don't want everyone to know how much I give

Gift Aid giving is confidential. In your parish, only the Gift Aid recorder knows how much you give. HM Revenue & Customs also know, of course, as they are paying their contribution out of your tax.

### Can anyone make a Declaration?

No. You must be a UK taxpayer, and you must have paid during the tax year an amount of Income Tax and/or Capital Gains Tax at least equal to the amount that your church and all other charities to which you give will reclaim for the tax year (currently 25p for every £1 given), as if you pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all your donations in that tax year it is your responsibility to pay any difference.

### I am retired, but I pay tax on my pension and on the interest from my bank/building society. Does this count?

Yes. Tax deducted from investments (including if you pay tax on savings interest and share dividends) counts; as well as Income Tax on earnings and pensions & annuities (paid basic rate or higher rate); and Capital Gains Tax.

### What should I do now?

If you would like to increase the value of your gift at no cost to yourself in this way, please speak to your church Treasurer or one of the Churchwardens. They will let you have a Gift Aid Declaration form and (if you would like one) a bank Standing Order mandate.

## Some Practical Ideas for making more of Gift Aid

### Pens in every pew – the best investment you’ll make?

A number of parishes have avoided the ‘who’s got the Gift Aid envelopes?’ hunt that sometimes confronts visitors. The secret? They simply provide a Gift Aid envelope and a pen on every pew ledge. A box of cheap ballpoints will cost you less than £10. By the end of 6 months they will have paid for themselves many times over as casual worshippers and tourists use the envelopes to make their gifts, and you can claim back a useful amount of tax which you would otherwise have missed.

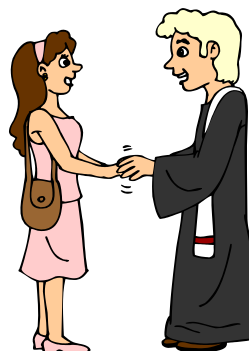


Doing this gives everyone in church the chance to give tax-efficiently. And the onus is quietly put on the visitor to decide whether they want to take part, rather than them being left without any information or encouragement to play their part, or having to hunt around trying to find a regular who knows where the envelopes are kept.

Yes, you will lose some pens to forgetful people (and thieves). But if someone is responsible for checking the pews before Sunday services, there will be a fresh supply ready and waiting when needed. And you will see a steady, if gentle, trickle of Gift Aid donations that otherwise would not have happened.

### “Would you like to use this?” Increasing your reach

There are occasions when you might be asked to accept a donation for the church when you are not in the building. Or people may be willing to subscribe to a collection even though they are not at a service. If you have a supply of Gift Aid envelopes to hand, you can make the most of these opportunities – and show that the cash is going where it is meant to be, rather than getting lost in your wallet or handbag.



- Clergy and other home visitors might want to have a few in their pocket
- A harvest supper or community celebration might have envelopes scattered on tables instead of the inevitable draw tickets.

### Sponsored events

You can use Gift Aid for sponsored events. The sponsorship form must contain the sponsor’s name (initial and surname), address (first line and postcode), amount of donation, date given, a ‘tick box’ to have the amount treated as a Gift Aid donation and a printed Declaration (see sample, page 25).

When making your claim using Charities Online, all the donations for someone taking part in a sponsored event can be put as one entry under the name of that participant, except for donations over £500. You do not need to list every individual donor who sponsored the person. Individual donations from a donor of £500 or more shown on individual sponsor sheets will need to be separated out and listed individually on the claim form (see page 9). The completed sponsorship form should be kept for a minimum of 6 years.

### Gift Aid envelopes

You can buy specially printed Gift Aid envelopes for your church (see page 26) or use the ones we sell in 100s at the Diocesan Office. Or, if you have a parishioner who is reasonably adept with Word or another computer word processor, you can print your own.

For one-off gifts, the Declaration should be kept simple. The minimum HMRC requirements are:-

- The name of your PCC. This can be printed or stamped on the envelope.
- The donor's full name.
- The donor's home address – minimum of house name/number and postcode.
- Date
- Confirmation by the donor that Gift Aid is to apply on this donation, eg a tick box.
- A statement that the donor is a taxpayer and understands that if they pay less Income and/or Capital Gains Tax than the amount of Gift Aid claimed on all their donations in that tax year it is their responsibility to pay any difference.

<p><b>Christ Church, Generousville</b></p> <p><b>Envelope for Gift Aid Donations</b></p> <p>Please print clearly</p> <p>FULL NAME .....</p> <p>HOUSE No./NAME .....</p> <p>POSTCODE ..... Date .....</p> <p>I wish Gift Aid to apply to the enclosed donation. 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. Please tick <input type="checkbox"/></p>	<p><i>giftaid it</i></p>	<p>Thank you for your support</p>
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A standard C6 envelope (or other convenient size - make sure it is large enough to encourage notes!) can easily be printed with: your church picture or logo; a message from the parish to the giver; and the Gift Aid Declaration and name and address details.

Remember to use self-sealing envelopes, rather than lick-and-stick.

### Share sales and ebay sales

- It is possible to give **shares** tax-efficiently. The donor avoids paying tax on their gain, the church sells the shares and reaps the benefit.
- Many parishes hold **Gift Days** as part of an appeal. Have you considered asking for **goods** as well as cash? A number of people may be unable to be as financially generous as they would wish, but have 'things' that they could give. The question of 'what do we do with them?' then arises. One option is to sell them on ebay – an account with PayPal Giving Fund (formerly Mission Fish) will enable you to sell them at a significantly reduced charge, and Gift Aid can be claimed. For more information, visit <https://www.paypal.com/uk/webapps/mpp/givingfund/home>

# More help from HMRC - Waived refunds & Carry back

## Waived Refunds and Loan Repayments

HMRC will consider donations made from a waiver of a right to either a refund or loan repayment to be eligible for Gift Aid, provided there is a record of a formal waiver held by the charity and all other Gift Aid rules are met. The donation will be considered to have been made at the date of the waiver and not the date of the original payment. A Gift Aid declaration will need to be collected by the charity if one is not already held for the donor.

For relatively small amounts, eg a couple of tickets to a fundraising event, HMRC requires an auditable record of correspondence between the charity and donor, eg emails, letters, recorded telephone call. For larger amounts, eg loan repayments, HMRC requires a legally enforceable document, including details of what is being waived and making it clear the lender is giving up all legal rights to any future repayment, and confirmation that the amount waived should now be treated as a donation for Gift Aid. Charities are expected in all cases to explain the options available to donors and that individuals must positively choose to waive their right.

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-345-claiming-gift-aid-on-waived-refunds-and-loan-repayments>

## Gift Aid Carry Back

If a donor's income has gone down since last year (eg retirement, maternity leave, loss of income, variable self-employed income), they might not pay enough tax to give under Gift Aid this year. However, if they paid enough income and capital gains tax last year to cover the Gift Aid on both last year's and this year's donations, they can ask HMRC to carry back their donations and treat this year's donations as if they had been made last year, boosting the value of their donations to your church this year. Only a whole donation can be carried back by the donor, whereas if several smaller donations were made all or some of them could be carried back.

If your giver completes a tax return, they can make a donation and fill in the box on their self assessment return which asks how much of the current year's giving should be carried back to the previous year. They can only carry back a donation if they do so before filing their tax return. Givers who do not file a tax return can ask HMRC for a P810 Tax Review form, which they will need to submit by 31 January.

<https://www.gov.uk/government/publications/charitable-giving-hs342-self-assessment-helpsheet> or <https://www.gov.uk/government/organisations/hm-revenue-customs>

Stewardship briefing paper: <https://www.stewardship.org.uk/resource/gift-aid-carry-back>

If you have a good Gift Aid idea, we would like to hear about it. Please send details of your wizard wheeze to: [sue.whitehead@bathwells.anglican.org](mailto:sue.whitehead@bathwells.anglican.org)



# Sample Letter: Thank You for your Gift Aid Declaration



## The Parish of St Stephen's, Ambridge

From the Treasurer, Robert Snell

Ambridge Hall  
AMBRIDGE  
BA00 0XX

Tel: 01234 567890

30 April 2019

Mrs C Pemberton  
The Dower House  
AMBRIDGE  
BA00 0XY

Dear Caroline

Thank you for the return of your signed Gift Aid Declaration and regular giving form. Regular giving is vital to the ministry and mission of our church and enables the PCC to plan ahead with confidence to enable the work of St Stephen's to flourish.

Your Gift Aid Declaration will allow us to reclaim tax on all your donations, provided I know they have come from you. If you make any extra or occasional donations during the year, please make sure I know they are from you, either by writing a cheque or putting your donation in a Gift Aid envelope with your name on it. (There are always envelopes at the back of the Church for this purpose.)

Since it is important that we do not reclaim more tax than you have paid, please keep an eye on the total of the donations you make under Gift Aid to all charities. You will need to declare this figure on your Tax Return if you receive one. If you are a higher rate taxpayer, you may be able to attract a personal tax rebate on this sum. Some people have given this additional sum to the church when it has been received.

If you have any queries about the Gift Aid system or, indeed, any other financial matter, please do not hesitate to get in touch with me.

On behalf of St Stephen's, may I thank you again for your committed giving.

Yours sincerely

Robert Snell

# Sample Letter: End of Year Thank You & Record of Gifts



## The Parish of St Stephen's, Ambridge

From the Treasurer, Robert Snell

Ambridge Hall  
AMBRIDGE  
BA00 0XX

Tel: 01234 567890

6 April 2019

Mrs S Carter  
3 The Street  
AMBRIDGE BA00 0XX

Dear Susan

I am writing to express my grateful thanks for your continued generous support for the mission and ministry here at St Stephen's through your regular giving. As a result of your giving, and the support of other regular givers, we have been able to achieve a number of important things during the last year. These include:-

- Paying our Parish Share in full, which pays for the costs of the ministry we receive.
- Running a successful youth club, with over a dozen young people coming most weeks.
- Offering training and resources for our new pastoral visiting team who visit the elderly
- Installing a new sound system and ensuring that we keep our building in good shape.
- Giving away 10% of our income to support our chosen mission agencies and charities.

Our records show that you gave £600.00 to St Stephen's during the year 6 April 2018 to 5 April 2019, on which we can claim tax of £150.00 under the Gift Aid scheme. If you are a higher rate taxpayer, you may find this information helpful for your Tax Return, as you may be able to attract a personal tax rebate on this sum. Some people have given this additional sum to the church when it has been received.

Since it is important that we do not reclaim more tax than you have paid, please keep an eye on the total of the donations you make under Gift Aid to all charities and Community Amateur Sports Clubs. You will need to declare how much you have given during each tax year on your Tax Return if you receive one. If you have any concerns or questions about the Gift Aid scheme, please do not hesitate to get in touch with me.

It is regular giving which enables the PCC to plan ahead with confidence and enables the work of St Stephen's to continue. Once again, thank you very much for your own regular and committed giving.

Yours sincerely

Robert Snell

**St Stephen's, Ambridge  
Giving by Gift Aid**

Gift Aid makes it easier to give tax-effectively to charities – and to your Church. With Gift Aid, you choose when and how much to give, and you only have to complete a one-off Declaration. Your Declaration means that, if you pay sufficient tax to cover all your gifts to all charities, St Stephen's can currently receive tax from HM Revenue & Customs at the rate of 25p for every £1 that you give.

To give under Gift Aid, you must pay in the tax year an amount of Income Tax and/or tax on your dividends, savings or Capital Gains at least equal to the amount which will be reclaimed on all your donations in the tax year (25p for each £1 given).

Please complete the Declaration and return it to me or one of the Churchwardens. The Declaration will then cover all your gifts in numbered envelopes or by Standing Order over the past 4 years (the normal time limit within which we can reclaim tax). It will also cover all future gifts you make to the Church, and will continue until you cancel it in writing. Please let me know if, in the future, you no longer pay sufficient tax on all your donations for us to be able to reclaim Gift Aid on your donations to the church.

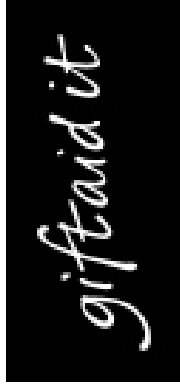
Please contact me if you are a taxpayer and are not yet giving by envelope or Standing Order.

If every taxpayer in St Stephen's joins the scheme, I estimate the taxman will give us about £5,000 each year!

Robert Snell  
Hon Treasurer  
Ambridge 567890



**St Stephen's Church, Ambridge**



**Gift Aid Declaration**

Full name (CAPITALS, PLEASE) .....

Address .....

.....

.....

.....

POSTCODE .....

Please treat as Gift Aid donations all qualifying gifts of money made from the date of this Declaration and in the past four years. 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.

Date .....

# Sample pledge and Standing Order Form (including Gift Aid)

## Regular giving form

Please return this form to your PCC Treasurer, Planned Giving or Gift Aid Officer.

### Your contact details

Full name [CAPITALS PLEASE] .....

Address .....

..... Postcode .....

Telephone ..... Email .....

### Your gift

I wish to donate £ ..... monthly/quarterly/annually until further notice starting on ..... (date)

I would like to pay by:-

Standing Order (form below if required)

Regular envelopes

Cheque, payable to .....

### Gift Aid declaration

Please treat as Gift Aid donations all qualifying gifts of money made from the date of this Declaration and in the past four years. 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. Date .....

*giftaid it*

NOTE: Please notify the Treasurer 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. Gift Aid is linked to basic rate tax, currently 20%, which currently allows charities to reclaim 25p on every pound.

Higher rate taxpayers can claim back the difference between basic rate and higher rate or additional rate tax. 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.

I would also be interested in receiving information about leaving a legacy gift to my church.

### Standing Order

#### Your bank and account

Account name .....

Sort code

--	--	--	--	--	--

Bank name .....

Account no

--	--	--	--	--	--	--	--

Address .....

Please pay £ ..... monthly/quarterly/annually from my bank account (details above) to:

#### The Church's bank and account (Church to complete)

Account name .....

Sort code

--	--	--	--	--	--

Bank name .....

Account no

--	--	--	--	--	--	--	--

Address .....

Starting on ..... (date) until further notice.

This order cancels any previous instructions in favour of the above named Parochial Church Council.

Signed ..... Date .....



# Sample Sponsorship and Gift Aid Declaration form

## Ambridge PCC: Sponsorship and Gift Aid Declaration form

Please Sponser me (name)	
for (event)	

**Gift Aid:** 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 named above to reclaim tax on the donation detailed below, given on the date shown. I understand that if I pay less Income Tax/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.

*giftaid it*

**So just tick here to Gift Aid your donation. It's that simple.**



Full name	Home Address (please give your address including house name/number & postcode if you wish to Gift Aid your donation, or we can not reclaim tax)	Postcode	Amount	Gift Aid	Rec'd (date)
<b>Total Amount</b>					

Date money handed to charity:	To be completed by the charity	Tax reclaimable
	x20/80 =	£

## What kind of envelopes?

For regular givers, your normal weekly envelopes can be used for Gift Aid, so long as a Declaration is in force from the donor. For an Appeal, or for occasional worshippers and visitors, you need one-off envelopes printed with the Gift Aid Declaration, which are available from a number of suppliers. Envelopes can be personalised to your church with the church name, a logo or a picture.

Size matters. Please avoid using those very small envelopes that will barely hold a 50p coin. You will never encourage people to put notes in them! Equally, some people object to C5 envelopes as they fall off church pews. Ideally, you want something that makes it very easy and normal to put a £10 note in . . .

For commercially-produced envelopes, try:-

### **Envelope Systems Ltd**

7a Gateshead Close  
Sunderland Road Industrial Estate  
SANDY  
Beds  
SG19 1RS

Tel: 01767 681717  
Email: [enquiries@envelopesystems.co.uk](mailto:enquiries@envelopesystems.co.uk)  
Website: <http://www.envelopesystems.co.uk>

### **Donation Envelopes Ltd**

46 Watt Road  
Hillington Park  
GLASGOW  
G52 4RY

Tel: 0141 810 5900  
Email: [sales@donation-envelopes.co.uk](mailto:sales@donation-envelopes.co.uk)  
Website: <https://www.donation-envelopes.co.uk>

### **Lockie Ltd**

Lockie House  
Withins Road  
Haydock  
ST HELENS  
WA11 9UD

Tel: 01942 402510  
Email: [sales@lockiechurch.com](mailto:sales@lockiechurch.com)  
Website: <http://www.lockiechurch.com>

### **Church Finance Supplies Ltd**

Area E  
Radley Road Industrial Estate  
ABINGDON  
Oxon OX14 3SE

Tel: 01235 524488  
Email: [info@churchfinancesupplies.co.uk](mailto:info@churchfinancesupplies.co.uk)  
Website: <http://www.churchfinancesupplies.co.uk/>

The Diocesan Office in Wells can supply small numbers (under 1,000) of yellow Gift Aid envelopes at £5.00 per 100\*, to which you just need to add the name of your church before distribution. Send a cheque, payable to 'Bath & Wells DBF' with your name, address and parish to Mrs Sue Whitehead, Diocesan Office, Flourish House, Cathedral Park, Wells, BA5 1FD, or email [sue.whitehead@bathwells.anglican.org](mailto:sue.whitehead@bathwells.anglican.org) to place your order and we will send our bank details with the invoice and envelopes for online payment. \*The current price can be checked at <https://www.bathandwells.org.uk/parish-support/christian-giving-and-funding/gift-aid/>

## Computer Software and Gift Aid Service

Software packages are available to help with Gift Aid administration, see <https://itforcharities.co.uk/database-software/gift-aid-management-software/>. The programs offer Gift Aid record keeping and are compatible with HMRC's online service to make your claim. They let you export information to Word or Excel, etc for 'thank you' letters.

### **Donations Co-ordinator from Data Developments**

Wolverhampton Science Park, Creative Industries Centre, Glaishier Drive, WOLVERHAMPTON, West Midlands, WV10 9TG <http://www.datadevelopments.co.uk>  
01902 714030 [sales@datadevelopments.co.uk](mailto:sales@datadevelopments.co.uk)

### **Gift Aid and GASDS Service from Data Developments** (contact details above)

Data Developments' Gift Aid and GASDS service helps smaller Charities by doing your online claim for you from your records. Your church would be able to claim Gift Aid and GASDS each quarter without the need to complete and send time consuming manual claims or use HMRC's online facility. Quarterly claims will help ease cash flow. The service helps support the work of Gift Aid secretaries, making it easier to find volunteers. Your church would continue to keep manual records of your donors and donations and Gift Aid declarations. Data Developments would enter initial donor information into Donations Co-ordinator and send you a quarterly 'donations due' report detailing donors already entered and requesting the totals given by each donor for that period. You would enter any new donors, one-off donations and the total eligible GASDS donations. Data Developments enter these into Donations Co-ordinator and send you a 'pre-claim' report then Data Developments submit the claim to HMRC via Charities Online. The money reclaimed would be paid directly into your church's bank account by HMRC. Thank you letters or personal tax statements could be supplied to the church for each donor, and reports to help improve analysis of giving. Cost: £25 minimum per quarter (including VAT) or 4% of the amount claimed (the amount received from HMRC), whichever is the greater. The £25 would be paid by Standing Order each quarter and should the 4% figure be higher the extra amount would be invoiced to the church. If your church would not otherwise claim Gift Aid or GASDS and recorded only £10 per week of eligible GASDS donations, the minimum cost of the scheme would be easily covered by the extra income generated from the claim.

### **Fund Filer online system for Gift Aid Claims from Envelope Systems**

Fund Filer can help make your Gift Aid and Gift Aid Small Donations Scheme repayment claim quick and simple. It produces the required schedules for you. The service is provided online, so all you need to do is subscribe, log in, and record your donors and donations. The reclaim will be correct; Fund Filer knows tax rates, HMRC rules & how to fill in the forms. The data is always backed up. Getting started is very simple with no software installations or training manuals. Multiple logins mean you can share the load with others in your team. Improved cashflow. Ease of reclaiming means more frequent reclaiming. Handovers are much easier when officers change. Fund Filer currently has a free 6 week trial, then from £1.64 per week, about £85/year, £8.50/month by Standing Order. <http://www.fundfiler.com> 01767 681717 [enquiries@envelopesystems.co.uk](mailto:enquiries@envelopesystems.co.uk).

## The Gift Aid logo

The 'giftaid it' logo was sponsored by the government-backed Giving Campaign, with aim of helping people to be better givers to charities of all kinds. It provides a clear and consistent visual way of encouraging people to use Gift Aid.



It is freely useable. The logo has been used in a number of ways in this guide. You can use it in your parish – on pledge forms, on giving envelopes, or in your magazine.

### Making it easier

Gift Aid has made a huge difference to parish church finances. The amount received by parishes in 2017 totalled over £2.6 million. In 2017, the average parish received about 9% of its regular income from the taxman in the form of Gift Aid reclaims.

People in the charity world say that the churches are amongst the best-organised groups in terms of using Gift Aid. Yet I am sure there is more that we can do to use this wonderful way of making giving more worthwhile. Better availability of envelopes, Gift-Aiding sponsorship of events, checking and re-checking that every taxpayer has had the chance to sign a Declaration.

So – ask yourself two questions:-

- How easy is it for your regular worshippers to give by Gift Aid?
- How easy is it for visitors and occasional worshippers to do so?

And then a third: what could we do to make it even easier? After all, all we need to do is collect a simple confirmation that they can Gift Aid their donations, in the right way.

The average regular weekly gift in the Diocese of Bath & Wells for 2017 was £11.90. This is below the national average. There is much we might do to encourage people to be more generous and cheerful givers. In the meantime, Gift Aid enables you to make the most of the gifts you are receiving. £11.90 becomes £14.88 under Gift Aid.

The Giving and Funding team is always ready to support clergy, Treasurers, Parish Giving Promoters, Churchwardens and PCCs as they look to use the resources God has given them for equipping his Church. Let us know if there is any way we can help and advise you on a Christian approach to giving, stewardship, wealth and generosity.

**Follow-up: “I still don’t understand what to do . . .”**



There is a useful area of **Gift Aid advice** on the HM Revenue & Customs website at: <https://www.gov.uk/claim-gift-aid> and advice on the Gift Aid Small Donations Scheme at: <https://www.gov.uk/claim-gift-aid/small-donations-scheme>.

**The national Church of England website** has advice on Gift Aid and the Gift Aid Small Donations Scheme (GASDS) at: <https://www.churchofengland.org/resources/building-generous-church/enabling-giving/giving-mechanisms/gift-aid>.

**HMRC Charities Outreach Team** offers help and support to charities to understand, benefit and claim reliefs, including through Gift Aid and the Gift Aid Small Donations Scheme (GASDS). The team: Identifies charities which need help making Gift Aid and GASDS claims or completing registration or variation forms and helps them complete the task and supports them so they are better able to complete future claims/forms; Helps improve HMRC guidance and forms, making them simpler and clearer to help charities get it right first time; Gives talks to local groups of charities about Gift Aid/GASDS; Uses online tools to spread awareness & understanding of Gift Aid/GASDS. Charities can access team members by calling the **HMRC Charities Helpline** on **0300 123 1073** and asking to be forwarded to the Outreach team. Opening hours: Monday to Friday 8.30 am - 5.00 pm (closed weekends and Bank Holidays).

**What happens if the basic rate of Income Tax changes?**

We have got used to the basic rate of tax being 20%. The figures we use to demonstrate the benefits of Gift Aid have all been calculated on that basis – eg 25p on top of every pound donated. But the Chancellor can change the tax rate – up or down. If this happens, remember:-



- The current basic rate of tax will still apply for the remainder of the tax year - until next 5 April, in fact. So you do not need to panic about this year’s money.
- In the medium term, a tax rate cut will mean less money for the Church on each donated pound; a tax rise will mean more money. So you can present bad news for individuals as good news for the Church!
- The HMRC claims process should calculate the correct amount to reclaim for any tax year. But you can calculate the effect yourself by simply altering the sum you use to work out the tax reclaim. For example, if the rate of tax went up to 21%: instead of  $£1 \times 20/80 = 25p$ , your sum would be  $£1 \times 21/79 = 27p$ .

If the tax rate does change, you might want to put in an extra claim for the period to 5 April to ‘finish off’ the old tax year, then you can start again at the new rates on 6 April.

**The Credits:** Thanks to these PCC Treasurers and former Treasurers, who shared their experience and gave their Gift Aid advice freely: Alan Charlesworth (Christ Church, Frome), Donald Haley (Dulverton), Lesley Strutt (Stoke sub Hamdon) and Jeff Macklin (North Wootton).

