



Diocese of Liverpool

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**Gift Aid Schemes:
A Manual of Good Practice**

Foreword

In 2001, (the latest year for which statistics have been published) the parishes in the Diocese of Liverpool together claimed £859,700 from the Inland Revenue in tax refund on donations made using Gift Aid. This represented over 9% of total parish voluntary income, on average.

Setting up and administering a Gift Aid scheme is a relatively straightforward matter, though it can call for a significant amount of work for one or two people to ensure that claims are only made for monies which are recorded correctly. The importance of getting it right has been emphasised by the findings of routine Inland Revenue audits in this diocese and elsewhere. This is true whether a parish chooses to run their own scheme or whether they choose to join the Diocesan Scheme.

The task undertaken by Gift Aid Secretaries, and those who assist them, is an important one. It brings in a considerable sum of money to help parishes with their work and this sum could be larger still if more taxpayers Gift Aided their giving. The task also carries responsibility for ensuring that the scheme operates correctly and that the requirements of the Inland Revenue are met.

This guide will supplement the advice and assistance offered to all parishes by the Resources Department and the Gift Aid Officer, both on a day to day basis and via the annual Gift Aid Conferences. The Board of Finance is happy that a copy is being supplied free of charge to every parish. I am glad once again to commend this guide to the attention of all who work so hard in our parishes to enable this important source of income to be maintained.

Mike Eastwood
Diocesan Secretary

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Introduction

This guide has been produced to meet a number of needs, but they are all allied to a desire to provide a useful resource for parishes.

First, for those coming fresh to the running of a Gift Aid scheme, it is designed to be a guide to the principles and practice.

Second, to the more experienced, it is intended to be a reference to confirm correct practice or to guide on occasional matters (e.g. appeals).

Third, its loose-leaf format is designed to permit easy updating when practice changes or Inland Revenue requirements are altered.

However, it is important that the guide is not seen in isolation from the advice on specific situations that is always available from the Diocesan Gift Aid Officer and the Resources Department at Church House. Advice is also readily available from the Inland Revenue at Bootle.

If anything in this guide raises a question in your mind, please do not hesitate to ask Church House for further help. The price for not asking can be higher than for a phone call or a stamp!

Whilst the facts in this guide are believed to be accurate at the time of writing, as they are in accordance with advice checked with the Inland Revenue, the Liverpool Diocesan Board of Finance cannot accept responsibility for errors or omissions. Every attempt will be made to keep the guide accurate and up-to-date.

Section 1: Background

1.1 Changes to tax effective giving

A revised Gift Aid Scheme was introduced from 6 April 2000 (1 April for companies) by the Finance Act 2000. The changes were a response to the Government's review of charity taxation which was launched in July 1997. The Chancellor announced the response in his Pre-Budget Report in November 1999, called "Getting Britain Giving in the 21st Century". The measures fell into two main areas:

- Encouraging more people to give
- Modernising and simplifying the tax system for charities

The changes concerning Covenants and Gift Aid in outline were:

- The Gift Aid scheme was drastically altered so that any donation to a charity by a taxpayer that has a clear audit trail (given in an envelope or paid by cheque or standing order) is valid for the recovery of tax. The donor would need to sign a Gift Aid Declaration.
- Deeds of Covenant that were signed before 5 April 2000 would continue until they expired but tax recovery claims were made using the new Gift Aid mechanism. Deeds of Covenant signed after 5 April 2000 were not suitable for tax recovery purposes.

Other changes also were:

- The rules requiring donors to pay basic rate income tax were relaxed to make the new Gift Aid scheme more attractive to lower rate taxpayers. Donors can now meet the basic rate income tax that the charity reclaims on their donation with an equivalent amount of tax paid on their income or capital gains, whether at the basic rate or at some lower rate. This helps lower paid donors who pay sufficient tax to cover their donation but not at the basic rate
- The benefits of Payroll Giving (known as "Give as you earn" to those who use, for example, the Charities Aid Foundation to process their donation) were enhanced by the removal of the upper limit of £1,200 and by the Government increasing the gross value of the donation by 10% for three years (to April 2003).
- There were a number of other changes to assist the giving of shares, the giving by companies and giving by the armed forces and changes to VAT legislation.

1.2 What happened to Deeds of Covenant?

From 6th April 2000, new Gift Aid Declarations are all that is needed to claim tax relief on donations made by taxpayers. Please note that it is only taxpayers that can take advantage of this new scheme. From April 2000 there was no longer separate tax relief for payments made under a Deed of Covenant. However, as a transitional measure, all Deeds effective on or before 5th April 2000 were effective until they expired or the

covenantor was released. In practice, most parishes replaced their Deeds with Gift Aid Declarations effective for all donations from 6th April 2000.

Parishes not in the Diocesan Scheme should note that you will still need to keep any existing Deeds of Covenant for the usual 6 years after the last claim on the Deed, ie probably until at least April 2006.

1.3 How were claims made on Deeds of Covenant (and old Gift Aid) after 6th April 2000?

Tax year 1999/2000 was the last tax year that you can make claims on Deeds of Covenant, and old style Gift Aid (individual gifts of £250 or more covered by a pink Gift Aid Certificate R190), which do not fall under the new Gift Aid Scheme.

We could use the existing R68 claim form and schedules (R68(A) for Covenants and R68(G) for old Gift Aid donations) to make these claims.

Any giving received on or after 6th April, unless a late payment towards a Deed from an individual, falls under the new Gift Aid Scheme. Claims for this giving, even if covered by a Deed of Covenant, are made under the new Scheme.

If your parish still has outstanding claims to make for tax year 1999/2000 or earlier years, and you would like further information on how to make these claims, then please contact the Gift Aid Officer or the Resources Department at Church House.

Section 2: Gift Aid and Declarations

2.1 What is Gift Aid?

Gift Aid provides a great opportunity for your givers to increase the value of their donations to your church. Provided they are UK taxpayers, you can reclaim from the Inland Revenue the basic rate tax paid on their gifts, boosting the donation by 28%. So, at the time of writing, a gift of £10 from a donor is worth £12.80 to your church.

Subject to a few simple rules, your donors can give any amount of money, large or small, regular or one-off, and the church can reclaim the tax.

All you need from your donor is a simple Declaration saying that they want to use Gift Aid. A declaration can cover one or more donations, and it can be made in writing, by email or orally. It can also be backdated to cover all donations since 6 April 2000.

2.2 The Gift Aid Declaration

The Declaration is the most important part of Gift Aid, as it records the information required by the Inland Revenue to allow you to reclaim the tax paid on the donations. The Gift Aid Declaration must contain the following:

1 The name of your church

This can include acronyms, such as PCC.

2 The donor's full name

We recommend you obtain the donor's full name, however first name and surname, or initials and surname are acceptable, providing individual donors can be clearly identified

3 The donor's address

4 The donor's postcode

5 A description of the donations to which the declaration relates

A declaration can cover a specific gift or it can be open ended. Example descriptions are:

- The donation of £...I made to you on dd/mm/yy
- The enclosed donation
- All donations I make under the direct debit mandate below (unlikely for the Church, but reference to an enclosed Standing Order form may be acceptable)
- All donations I make on or after the date of this declaration
- All donations I have made since 6 April 2000 and all donations I make hereafter

6 A declaration that the donations are to be treated as Gift Aid donations

Examples of this are:

- Please treat my donations as Gift Aid donations
- I want my donations to be Gift Aid donations
- Please reclaim tax on my donations
- I want the charity to reclaim tax on my donations
- Tick here if you want us to reclaim tax on your donations

7 A note explaining the tax requirement

This should explain clearly to donors that they must be UK taxpayers and pay sufficient tax to use Gift Aid. For example, if you want to reclaim £10 on a donation, the donor must pay at least £10 income or capital gains tax during that tax year. Example wording is:

- You must pay an amount of income tax or capital gains tax equal to the tax we reclaim on your donations
- Remember to notify us if you no longer pay an amount of income tax or capital gains tax equal to the tax we reclaim on your donations

We also strongly recommend that your Declaration also includes:

- **The donor's signature**
- **The date the Declaration was signed**

Although neither of these are usually statutory Inland Revenue requirements, we recommend their inclusion to show that the donor authorised the Gift Aid Declaration. The Inland Revenue only require the date on the Declaration where it serves to identify that a particular donation or donations are to come within the scheme. Most of the details on a Declaration can be pre-printed. **However, if there is no part on the written declaration completed by the donor, the church will find it difficult to prove that the Declaration was genuine.**

Parishes in the Diocesan Scheme can obtain as many Gift Aid Declarations as required, free of charge, from Church House. Others may purchase the Diocesan Models (see Section 4.1), use the above wording, or use copies of the "Model Gift Aid Declaration" provided by the Inland Revenue. Beware that their current model has neither date nor signature. We recommend that you add these to the Declaration.

To ensure there are no problems in the future, we recommend that parishes not on the Diocesan Scheme seek Inland Revenue approval for any Declaration which they design themselves. You should keep the approval letter with your records. All those Declarations supplied by Church House have had Inland Revenue approval.

In addition to the Inland Revenue requirements, you should ensure that your Declaration satisfies any other legal requirements. If your church or project is a registered charity, the Charities Act 1993 requires you to state this. If you plan to use the information for any reason other than to reclaim tax, the Data Protection Act 1998 requires you to explain this.

2.3 How do we deal with oral Declarations?

Declarations may be made orally – over the telephone or even in person to a church representative eg at the church door. You must send the donor a written record of the declaration showing:

- all the details provided by the donor in his oral declaration, ie
 - the donor's full name
 - the donor's full address
 - the donor's post code
 - the church's name
 - a description of the donations to which the declaration relates
 - a statement to the effect that the donor wants his donations to be Gift Aid donations

- a note explaining that the donor must pay an amount of income tax or capital gains tax equal to the tax deducted from his or her donations

- a note explaining the donor's entitlement to withdraw the declaration retrospectively at any time within the period of 30 days after the copy declaration was sent to them.

- the date on which the donor gave you the declaration.

- the date on which you send the written record to the donor.

An oral Declaration is not effective unless and until you have sent the donor a written record. Once you have sent the written record, you will be able to reclaim tax in respect of any donations covered by the declarations, even if you received them before you sent the written record. An example letter which could be used as the written record can be found at Appendix B.

2.4 Can a Gift Aid Declaration be cancelled?

Yes. The donor can cancel the Declaration at any time. The cancellation **will take effect from the date the donor notifies you** of the cancellation, or such later date that the donor specifies, ie it is not retrospective. Any donations received before the date of the donor's notification will still qualify as Gift Aid donations. You need to keep a record of the cancellation, including the date of the notification. Where a donor's circumstances have changed and they no longer have paid enough tax to cover donations already made before they cancelled the Declaration, you do have the usual option of not claiming for that donor.

For oral declarations, if the donor cancels 30 days after you sent the written record, the cancellation takes effect from the date the donor notifies you, or such later date as specified. If the donor cancels within the 30 days, the cancellation has a retrospective effect, so that it is as if the Declaration was never made ie nullifying the Declaration.

From 6 April 2000, donors have to pay an amount of income tax and/or capital gains tax, whether at the basic rate, or some other rate, equal to the tax deducted from their donations. The position of a taxpayer making Gift Aid donations to both the church and

other charities can change from one year to the next. We recommend that you remind donors regularly of the tax requirement. This is best done by writing to all your donors on an annual basis for encouragement and thanks, and also to check their tax status. An example letter is included in Appendix A. If a donor knows how much tax they have paid in any tax year, they can calculate how much they can donate under Gift Aid, to all their charities, by dividing the amount of tax paid by 28p (whilst the basic rate of tax is 22%).

2.5 How do we deal with amendments?

You do not need to get a replacement Declaration when a donor changes his or her name or address. The Declaration itself does not need to be amended, but you do need to keep a record of the change.

Diocesan Scheme parishes should also notify the Gift Aid Officer of any amendments or cancellations.

2.6 What donations qualify for Gift Aid? The benefit rules.

A Gift Aid donation must be a payment of money. It cannot be made in kind, by loan waiver or by debt/loan conversion.

Subject to the benefit rules (see below), payments to the church in return for services, rights or goods are not gifts and therefore not eligible for Gift Aid. For example, payments to purchase books, jumble sale items, or food, or admission to events (jumble sales, concerts etc) or for raffle or lottery tickets (including 100 clubs) do not fall within the Gift Aid Scheme.

While it is unlikely to apply to the Church, parishes should be aware that there are limits to the benefits that donors can receive in return for their donation. (There are no limits to God's blessings, however!)

Modest benefits given in return for a donation will not stop the donation from qualifying as a Gift Aid donation, provided their value does not exceed certain limits. The maximum benefits that a donor, or a person connected with the donor, can receive as a consequence of his or her donations are:

| Amount of donation | Value of benefits |
|---------------------------|--------------------------|
| £0 - £100 | 25% of the donation |
| £101 - £1000 | £25 |
| £1000 + | 2.5% of the donation |

These limits apply separately to each donation (the relevant value test). Additionally, the value of the benefits received in any tax year must not exceed £250 (the aggregate value test). There are several examples given in the Inland Revenue Guidance for Charities. If you are unsure whether a particular donation can be included in Gift Aid, please contact Church House.

Section 3. Operating a Gift Aid Scheme

3.1 Registration of the Scheme

Currently, all parishes are charities which are excepted from registration with the Charities Commission. However, in order to make tax reclaims, a parish does have to be registered as a charity for tax purposes with the Inland Revenue.

Parishes who have made claims under Gift Aid or Deeds of Covenant in the past will have an Inland Revenue reference number, which usually starts with X. If you are unsure of your reference number, or if you are not sure if your parish has ever made tax reclaims, then for Diocesan Scheme parishes, please contact the Gift Aid Officer at Church House. Others will need to contact the Inland Revenue at Bootle.

Parishes who have never registered with the Inland Revenue will need to decide whether to make use of the Diocesan Gift Aid Scheme or not (see below). If you choose to use the Diocesan Scheme, then the Gift Aid Officer will arrange registration for you. If not, you will need to contact the Inland Revenue at Bootle directly.

3.2 Diocesan Scheme or claim direct?

Parishes may choose to use the Diocesan Scheme for their Gift Aid claims. The advantages of being part of this service are:

- **High Standard of Service**
Through the services offered and the training and support given, parishes can rely on a good standard of service, subject to scrutiny every 4 years or more often if required.
- **Continuity**
Once in the scheme, this provides continuity when personnel within the parish change. The Diocesan Gift Aid Officer will have some knowledge of the claim history within a parish.
- **Declaration care**
All Declaration forms are provided. The Declaration is the document on which any claim for tax recovery relies. It is important that the wording of the Declaration is correct, and that the forms are completed as required. They should be kept for 6 years after the final claim on the Declaration. All Declarations for parishes in the Scheme are checked by the Diocesan Gift Aid Officer. They are also filed centrally, ensuring that these documents are not "lost" on Gift Aid Secretary changeover. They can be made available when required for inspection by the Inland Revenue.
- **Preparation of claims**
Claim forms are prepared, only requiring an authorising signature from the Gift Aid Secretary. The Diocese sends the claim to the Inland Revenue. Any queries from the Revenue concerning the claim are dealt with in the first instance by the Diocese. Parishes are reminded when claims are outstanding.

- **Gift Aid Secretary support**

The Diocesan Gift Aid Officer and Resources Officers deal with detailed queries from Gift Aid Secretaries, offering advice on a day to day basis. Parishes on the Scheme benefit from the extra knowledge on the Gift Aid claim history of their own parish. Any change of Gift Aid Secretary for parishes within the Scheme is picked up – we are not always notified in non-Scheme parishes. Training for these new Gift Aid Secretaries is then provided if required.

- **Regular Audits**

All parishes on the Scheme are audited by the Diocese every 3 to 4 years, or more regularly if required, to ensure that the procedures in the parish meet Inland Revenue requirements. Most parishes find this a reassuring exercise, and we are able to offer advice, where necessary, on improving the parish's own Gift Aid Scheme. All new parishes joining the scheme are given an initial Diocesan audit.

The charge for all the above services is 5% of the tax actually claimed under Gift Aid. Where no tax is claimed, no charge is made.

To join the Diocesan Scheme, please contact the Gift Aid Officer or the Resources Department at Church House.

3.3 The Gift Aid Secretary

The Gift Aid Secretary is an important job in the parish. They should be appointed by the PCC and the appointment recorded in the minutes, as should any change of appointment. The person concerned may or may not also be the PCC Treasurer. We tend to think this is not a good idea. Unless the number of Gift Aid donors is small, this is too much work, and there is no backup for illness or other reasons. In large parish schemes it is good to get others to assist with aspects of the task, e.g. recording, issuing envelopes, etc. It is essential that, where more than one person is involved (including the Treasurer), good communication is maintained.

The role of the Gift Aid secretary is to:

- **Ensure accurate records are kept**

See Section 3.5 and following for more details.

- **Encourage tax efficient giving**

This can be broken down into:

- **Encourage giving**

This is really an issue for the Incumbent and the PCC, not the Gift Aid Secretary. Giving is a spiritual issue – it is part of our worship and thanksgiving to God.

- **Encourage tax payers to give by tax effective means**

This requires information:

- Written – use leaflets, posters, letters to envelope givers and church members
- Verbal – talk to people, remind them that it doesn't hurt, it is confidential, it is good for the church
- Presentations – to the PCC or in church

The personal approach often works best. People need reassurance and their questions answered.

➤ **Christian Responsibility**

The Resources Officers can help your PCC with Christian Responsibility, stewardship and ministry of money.

- **Encourage regular review**

You should write every year to remind people to let you know if their tax situation changed. It is good practice to also thank donors and let them know of amounts given, particularly for those needing to complete a tax return. You can use this opportunity to ask them to review their amount of giving.

- **Produce the claim**

See Section 3.11 for non Diocesan Scheme parishes. Much of this is done for Diocesan Scheme parishes.

3.4 Charity Official Authorisation Form

The Inland Revenue only allows one official of a charity to sign the Claim Form (R68(2000)). This person is usually the Gift Aid Secretary. When the Gift Aid Secretary changes, a new Charity Official Authorisation Form must be sent to the Inland Revenue. For Diocesan Scheme parishes, the new Gift Aid secretary will be sent a form from Church House which has been mostly completed for you. Other parishes will need to obtain the form from the Inland Revenue at Bootle.

You need to complete the form as follows:

- **Charity details**

These will be completed for Diocesan Scheme parishes. Others should complete as required.

- **PART A:**

- 1 Check (or enter) your name. Particularly ensure that your FULL name is included correctly.
- 2 Ensure your address is correct.
- 3 Enter your own National Insurance Number. The Revenue say this is for them to check that you exist!
- 4 Sign the form as the Authorised Official

- **PART B:**

This is to be completed by someone authorising you to be the Authorised Signatory. It should be completed by an official of your church who is also a signatory on behalf of your church. The best example would be your Treasurer. Alternatively, one of your Wardens, or your incumbent, could sign Part B, so long as they are a signatory.

Diocesan Scheme parishes should return this form to the Gift Aid Officer at Church House, once completed. If you find any details pre-printed on the form are not correct, then please let the Gift Aid Office know, and you will be sent a replacement form.

Non Diocesan Scheme parishes should write to the Inland Revenue, notifying them of the change of Authorised Signatory and enclosing the form.

3.5 Records you need to keep

The importance of keeping accurate records in order to meet the requirements of the Inland Revenue cannot be stressed enough. It is essential that the Church keeps sufficient records to show that the tax reclaims are accurate. These records should enable the church to show:

- an audit trail linking each donation to an identifiable donor who has signed a valid Gift Aid declaration, and
- that all the other conditions for the tax relief are satisfied.

If adequate records are not kept there may be a requirement to pay back to the Inland Revenue any reclaimed tax with interest. There may also be a liability to a penalty.

In the event that the Inland Revenue audits a tax reclaim the auditor will usually ask to see in respect of a donation:

- any written Gift Aid Declaration
- in the case of an oral Gift Aid Declaration, a copy of the written record sent to the donor
- any correspondence to or from the donor which relates to his or her Gift Aid donations, including
 - any notification of a change of name or change of address
 - any notification of the cancellation of the Gift Aid Declaration
- the bank statements
- the paying-in book stubs showing details of all cheques and cash banked
- the cash book recording the receipt of cash donations
- a sample of the envelopes and a record of the sums enclosed
- any other records that are kept relating to the donation

Some of these records will be held by the Treasurer, rather than the Gift Aid Secretary.

Records do not have to be kept on paper. They may be held on the hard drive of a computer, floppy disc or CD ROM, or stored on microfiche. Signed declarations should be kept in a form that preserves the signature – for example, by microfilming or electronically scanning them. Declarations are stored at Church House for Diocesan Scheme parishes.

If you keep your records on computer, it is advisable to make regular back-ups and store these in a different location to the computer. An example Recording Kit is available for a small charge from Church House. You may photocopy this and use as a basis for your records, or use as a basis for a design for computer records.

The Church is treated as a charitable company for the retention of records. Records must be kept until **six years** after the end of the accounting period to which any tax reclaim relates. This is a minimum period. In the event that the Inland Revenue audits your tax reclaim and the auditor identifies errors, he or she may re-open the tax reclaims for earlier years. Therefore, it is in the church's interests to keep records longer than the minimum period. Gift Aid Declarations are usually not time defined, and will need to be kept indefinitely.

3.6 Donor Register

You should keep some kind of donor register, which contains

- The donor's full name
- The donor's full address, including postcode
- The date of the Declaration
- The date the Declaration was valid from
- The method of donation, eg envelope, plus the number, Standing Order, cheque, or occasional donation envelope – or a combination of these.

You then need to keep records of the donations made.

3.7 Envelope records

Envelope records begin in the vestry, when the offering is counted. When Diocesan Officers audit our parishes, we often find that some problems are not with the Gift Aid Secretary, but with the vestry procedure. The Gift Aid Secretary should find out what happens in the vestry and how the list of contents of envelopes is maintained. They should talk to the Wardens, Treasurer and any Recorders or Tellers about what information is required.

Ideally, the offerings should be:

- Counted immediately after the service on the premises
- Counted by 2 people, who are not related or live in the same household
- Where known, the Gift Aid and non-Gift Aid envelopes should be separated, and dealt with separately
- Each envelope should be opened and marked with its contents, checked by the other person
- When all Gift Aid envelopes have been opened, the total cash on the table should be counted and should match the totals on the envelopes
- This should be repeated for the non Gift Aid envelopes
- The loose offerings should be counted separately
- The totals should be recorded in the Parish registers

The marked envelopes, plus totals, can now be passed to the Gift Aid Secretary. Some parishes may use a sheet in the vestry where the tellers write on the amount received in each envelope at the time of opening. This is then also passed on to the Gift Aid Secretary with the envelopes. The Gift Aid Secretary should then record the amounts on some kind of donor record.

You need to know what is in each Gift Aider's envelope each week, when it is received, and what the total Gift Aided cash is each week. Bear in mind that the tax year runs from 6 April to 5 April the following year. This means that the first Sunday in the tax year very often isn't the first Sunday in April. Similarly, the last Sunday in the tax year is very often not the last Sunday in March. Your donor record should reflect this. You should record each envelope against the date actually received. The date on the printed weekly envelopes is irrelevant for recording purposes. It is only a guide for the donor. There are no "late payments" under Gift Aid.

An example envelope donor record is:

| Tax year 2001/2002 | | | | | | | | |
|--------------------|--------------------|--------------------|--------------------|--------------------|-------|---------------------|---------|--------|
| Env no | Week 1 08/04/01 | Week 2 15/04/01 | Week 3 22/04/01 | Week 4 29/04/01 | | Week 52 31/03/02 | Week 53 | Total |
| 1 | 2.00 | | 4.00 | 2.00 | | 2.00 | | 10.00 |
| 2 | | 5.00 | 5.00 | 5.00 | | | | 15.00 |
| 3 | 20.00 | 20.00 | 20.00 | | | 40.00 | | 100.00 |
| 4 | 1.50 | | 1.50 | | | 3.00 | | 6.00 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | 23.50 | 25.00 | 30.50 | 7.00 | | 45.00 | | 131.00 |

For confidentiality, only the Gift Aid Secretary needs to be able to tie up which envelope number relates to which person, and how much that person has given. It is important that the name on the Declaration is the same as the name against the envelope number and is the person who pays tax! This may sound obvious, but lists of names against envelope numbers often have Mr & Mrs, whereas the Declaration is only for Mrs, for example, and Mr isn't a tax payer. You may write Mr & Mrs on the box when the envelopes are distributed, but all your records should only refer to the tax payer.

You need to keep one month's sample of envelopes for each year, marked with contents. These should be kept bundled together according to date received. We recommend that you keep the whole year's envelopes until you have made the claim, in case there are any reconciliation problems, and then select the month to keep.

Where a donor with a current Gift Aid Declaration wishes to give an extra amount, or to a particular purpose, they only need to put the donation in a blank envelope, with either their name, or their normal giving envelope number, on the outside. Single donation envelopes like these need to be dealt with in the same scrupulous way as regular giving envelopes. You may need to leave space on your donor record for these, or start a separate sheet.

While a sample of regular giving envelopes must be kept, all the one-off envelopes (with the Declaration printed on them) must be kept. These are kept at Church House for Diocesan Scheme parishes. We also recommend that you keep all extra donation envelopes, where the envelopes are extra to the regular giving envelope scheme.

3.8 Standing Order and cheque payments

You should also keep a record of payments made by Standing Order. The bank statements should be checked for every month. Banks do sometimes make mistakes! You also need to check that the name on the bank statement matches the name on the Declaration. Joint accounts are acceptable, but a wife's account for a husband's Declaration or business accounts are not. Initials and surname should show up so that people with the same surname can be distinguished.

You should keep a record of the amount actually received, date received and bank statement reference for each donation by Standing Order, for example:

| Standing Order payment control – tax year 2002/2003 | | | | | | | | | | | | | | | |
|---|----------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------|-----------------------------|--------------|
| Name | SO | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | Total |
| J S Bloggs | £10 pm | £10 7 th 212 | £10 8 th 213 | £10 7 th 214 | £10 9 th 215 | £10 8 th 216 | £10 8 th 217 | £10 7 th 218 | £10 8 th 219 | £10 9 th 220 | £10 10 th 221 | £10 7 th 222 | £10 8 th 223 | | £120 |
| C Jones | £30 pqtr | | | | £30 1 st 215 | | | £30 1 st 218 | | | £30 1 st 221 | | | £30 2 nd 224 | £120 |
| S Smith | £100 pm | £100 30 th 212 | £100 29 th 213 | £100 30 th 214 | £100 31 st 215 | £100 30 th 216 | £100 30 th 217 | £100 31 st 218 | £100 30 th 219 | £100 31 st 220 | £100 31 st 221 | £100 28 th 222 | | £100 1 st 224 | £1200 |
| Total | | £110 | £110 | £110 | £140 | £110 | £110 | £140 | £110 | £110 | £140 | £110 | £10 | £130 | £1440 |

Note that only payments received from 6th April should appear at the beginning of the tax year, and payments received from 1st to 5th April belong to the end of the tax year. You will need to take special note of Standing Orders due around 4-7th of every month. You may have 13 payments received in one tax year, then 11 in the next. There can be no “late payments” with Gift Aid.

Every cheque received should be itemised by name, date and amount. Gift Aid Secretaries should ensure that Treasurers are doing this. Where a cheque is drawn from a joint bank account, it can be assumed that the donation is from the account holder who signs the cheque. Cheques can be itemised on the stub of the paying book.

3.9 Cash donations

Most cash donations will be received in an envelope, which should be opened as described in Section 3.7, marked with the contents and date received. There should be some means of uniquely identifying the donor on the envelope. This can be their full name, or their usual regular giving envelope number.

When other cash is received, a receipt should be issued to the donor and a duplicate kept in your records.

3.10 Donations to funds other than the General Fund

Donations made for purposes other than the General Fund can also qualify for Gift Aid. For example, someone may give a donation to the Flower Fund. If they also have a Gift Aid declaration to cover all their giving, then this donation can be included in any claim. However, because the donation was restricted, the tax reclaimed relating to the donation is also restricted, and should be added to the Flower fund when the tax refund is received.

Just as for any other donation, accurate records must be kept showing a complete audit trail before any tax reclaim can be made.

Where a parish wishes to launch a large appeal fund, particularly where a separate bank account is opened for the fund, we recommend that you obtain a subsidiary reference for the fund from the Inland Revenue. Diocesan Scheme parishes need to contact the Gift Aid Officer at Church House. Other parishes will need to write directly to the Inland Revenue. The Revenue will need copies of minutes and/or literature relating to the

appeal, and will issue a reference number the same as the current reference number with /1 added, for a first subsidiary reference.

3.11 Making a claim

Diocesan Scheme parishes should see section 4.3.

You should not make a claim for any donation unless and until a Gift Aid Declaration is in place. Non Diocesan Scheme parishes should receive the required forms from the Inland Revenue at Bootle. You will need:

- R68 (2000) – the main claim form, lilac in colour.
- R68 (New Gift Aid) – on which details are entered of Gift Aid donations.

Firstly, you should complete the **R68(New Gift Aid) form**, one for each tax year to be claimed. There are some instructions on the form itself. Ensure you fill in your parish's Inland Revenue reference number. There should be an entry on the form for each Declaration for which you are making a claim. Put the donors in alphabetical order. Enter the total donations for each donor and the date on which you received the last donation from the donor. For regular envelope givers, this will often be the last Sunday in the period. However, not everyone will have attended and given on that Sunday! For Standing Order givers, this date will not be a Sunday. On the back of the form, at A, enter the total donations received. You can then calculate the tax to be claimed, using the calculation given on the form. This will be

$$\text{Total Donations} \times \frac{\text{current basic rate of tax}}{100 - \text{current basic rate of tax}}$$

You should check your arithmetic before you send off the claim forms.

Next, complete the **R68(2000)** form. It is fairly self explanatory. Things to note are as follows:

- Ensure the label on the form is correct.
- Part 1: Transfer the total calculated tax into box 2 on the form. Put the total in box 4. Answer the question at 5.
- Part 2: Question 2 – the church **is a company** for tax purposes. The date the accounts period ends should be 31st December.
- Part 3: This gives you an opportunity to have the tax paid directly into your bank account, or to have the cheque sent to a different address. You must complete 1 and 2.
- Part 4: This declaration must be completed in full by the Authorised Signatory of the church (see Section 3.4).

You should photocopy all the forms in case of a query from the Inland Revenue. Send the forms to the address given on the R68(2000). You should receive your repayment cheque in due course.

Section 4: The Diocesan Scheme

Diocesan Scheme parishes should also read Section 3.

4.1 Declarations

Parishes in the Diocesan Scheme can be provided with four different types of Declaration:

- **Standard Declarations (Cream).** To cover all the donations to the church. These have the wording “I want the church to treat all donations I have made since and all donations I make from the date of this Declaration” We recommend you put 6th April of whatever year is to be the first claimed for in the box. This will make your claim more straightforward. When the new Gift Aid system began, 06/04/2000 was used. (Note you cannot put in a date earlier than this). These Declarations are also available with a Standing Order form attached.
- **Single Donation Declarations (Blue).** For a one-off single donation. If the person is ever likely to give anything again, you should use a cream standard Declaration. These can be used to cover a one-off cheque, or cash donation.
- **One-off Donation Envelopes, with Declaration.** These are aimed at visitors and are similar to the blue Declaration. Again, people who are likely to give more than once should not use these, but use a cream Declaration. If you receive a donation in one of these envelopes from someone with a cream Declaration, the envelope can be treated as an additional giving envelope.
- **Declaration with an upper limit (Green).** These have an upper limit on the amount on which a claim can be made. These are for those donors who pay a limited amount of tax. They can state the maximum donation in a tax year on which you can claim. They may give more than this, but not have the tax to cover. You should only claim on this type of Declaration for the whole of the tax year. This donor may need to cancel their Declaration and take out a new one each year, to reflect their changing tax situation.

The Diocese has Inland Revenue approval for all these Declarations. You may request as many as required from Church House.

When you have some completed Declarations, send them in to Church House. We recommend that you photocopy them first. You **must** keep a photocopy of the Envelope Declarations, as these form part of your envelope records. At Church House, each Declaration will be checked. Once it is entered onto the computer system, you will be sent an acknowledgement. Please check the details are correct, and make a note of the unique reference code allocated to the Declaration. The length of time taken to register Declarations and send out an acknowledgment depends on the claims workload, as claims are the first priority.

4.2 Master List of Declarations

You will be sent a complete list of all your Declarations each year in the first quarter of the year. However, you may request one from the Gift Aid Officer at any time.

The column headings on the list are fairly self explanatory. The details are as follows:

| | |
|---------------------------------|---|
| Name and contact details | Obviously name and address of donor! Please ensure this is correct, particularly the postcode. |
| Reference | This is the reference number allocated to the Declaration. It is a 5 digit number. This identifies the Declaration within your parish. The full reference number would be 4 digits allocated to your parish (or fund), plus this 5 digit number. |
| Valid from | <p>The date from which we can include any donations received from the donor. (This was the date in the box!).</p> <p>For most cream Declarations, this should be 6th April 2000. However for more recent Declarations, this should be 6th April of the beginning of the tax year for which the first claim is required.</p> <p>For single donation Declarations, this will be the date of the donation.</p> |
| Valid to | This is the date the Declaration is valid to. This will usually be blank. There will be a date here if the Declaration has been cancelled. For a single donation Declaration, this date is the same as the "Valid from" date. |
| Declaration Date | This is the date the Declaration was signed. |
| Type | This will say either "Regular" for cream Declarations which cover all giving, or "Single donation" for blue or envelope one off single donations. |
| Method and Env No | Where known, these columns will give details of the method of giving and/or the envelope number. |
| Purpose | This will usually be "General", ie the Declaration is for the general purposes of the church or fund. Where a Declaration covers donations only to a specific purpose, then this column will indicate this purpose |

You may keep this list for your records. If any of the details are incorrect, please contact the Gift Aid Officer at Church House.

You should also notify the Gift Aid Officer of any cancellations and amendments to your Declarations, so that the computer records are kept up to date.

4.3 Making a claim – the Donations Received Report

We can make claims annually, half yearly or quarterly. If you wish to make a claim more than once a year, then the claim must be for an amount of tax of more than £100. If you would like to change your claim frequency, or, for larger parishes, make your claim more frequently than quarterly, then please contact the Gift Aid Officer at Church House.

When the next claim period comes to an end, you will be sent a “Donations Received report”. Your Donations Received report will be used for you to make claims on your Gift Aid Declarations.

4.3.1 Details on the Donations Received Report.

The heading of the report will show your parish number and name, and the period for which we are intending to claim, usually for the tax year of 6th April one year to 5th April the next.

The columns on the report are fairly self explanatory, and are as follows:

| | |
|--|--|
| Name | Name of person on Declaration, in alphabetical order. |
| Reference | The unique reference number, within your parish, allocated to the Declaration |
| Gift Aid valid from | The date the Declaration is valid from. Only donations received from this date can be included in any claim against this Declaration |
| Gift Aid valid to | The last date for donations to be included against this Declaration. This will usually be blank. For one off single Declarations, this will be the same as the “valid from” date, ie the date the gift was given. Any other date will be the date from which the Declaration was cancelled |
| Total already claimed on in this tax year | This column only appears in a Report for a second or subsequent claim in a particular tax year. It shows how much giving we have already claimed against for this Declaration in the tax year of the claim period. |
| Total received or Total now to be claimed | Usually blank for you to complete. It will show the amount given for single donation Declarations |
| Last donation date | Blank for you to complete. The date the last donation was received. |
| Cash book folio | This will be blank, unless you have already let the Gift Aid Officer know of an envelope number or method of payment for a Declaration. |

4.3.2 Completing your Donations Received report

Please complete your report as follows:

1. For each name on the list you will need to complete 3 boxes:

a) **Total received or Total now to be claimed.**

- Add up the total amount you have received from the donor within the period given by the dates at the top of the page. For a whole tax year this will be 6th April one year to 5th April of the next, inclusive. Ensure that you include all the giving, by whatever method.
- For each individual, make sure you take into account the date from which the Gift Aid Declaration was valid (column headed "Gift Aid valid from"). Eg for the period 06/04/2002 to 05/04/2003 and a Declaration valid from 09/05/2002, only include amounts received between 09/05/2002 and 05/04/2003 inclusive.
- If there is a date in the "Gift Aid valid to" column, ensure you only include donations up to and including that date. If someone has cancelled a Declaration and the date does not appear in the "valid to" column, then please enter the date from which the Declaration was cancelled.
- For any single donation Declarations (blue form or envelope), the amount should already be completed.

b) **Last donation date.**

- Enter the last date a donation was received for each Declaration. For regular envelope givers, this will often be the last Sunday in the period. However, not everyone will have attended and given on that Sunday!
- For Standing Order givers, this date will not be a Sunday.
- For Single Donation Declarations, this should be the same as the given dates.

c) **Cashbook folio.**

Enter the method of the donor's giving as follows:

- For envelope givers, enter the envelope number.
- For Standing Order givers, enter SO and any reference number if you use one.
- For donations by cheque, enter "Chq".
- For receipted cash enter "Cash" and a relevant folio.
- Enter more than one method if relevant!

You do not need to enter anything in the "**Gift aid valid to**" box, unless the donor has died or has cancelled the Declaration. Then just enter the date of death or cancellation.

2. Answer the question about telephone oral Declarations. The answer to this should be "no".
3. Complete the certification box on the last page.
4. Send the completed forms back to the Gift Aid Officer at Church House. We advise you to take a copy before posting, so you have a record of the information given.

4.4 The R68 Claim form

The Gift Aid Officer will send to you the relevant Claim forms as soon as possible after receipt of your completed Donations Received report. These will consist of a lilac claim form, R68(2000), and one or more R68(New Gift Aid)(Substitute) forms. You will receive a R68(New Gift Aid)(Substitute) form for each tax year you are making a claim. This form lists all people for whom a claim is being made, together with the amount given, and the date of the last donation.

If you returned a Pre-List (used to make claims for Deeds of Covenant) with your Donations Received Report, you will also find enclosed a computer listing giving details of any Deed claims.

When you receive the forms, could you please:

1. Check that the amount to be claimed for each Declaration is what you expect, and that the date of last payment for each amount is correct. The amounts and dates were taken from your entries on the Donations Received Report which you returned.
2. Sign the lilac R68(2000) claim form on the back, TWICE, where indicated.
3. Return **ALL** the claim forms - **R68(2000) and R68(New Gift Aid)** - to Church House.

When the Gift Aid Officer receives the cheque from the Inland Revenue, a cheque for the tax claim less the Diocesan fee (5% of tax claimed) will be sent to the parish. Enclosed with the cheque will be a list of the people, amounts and last donation dates of the claims covered by the cheque.

Section 5: Other Tax Effective Giving Issues.

5.1 Sponsored Events

Gift Aid can be used to enhance the amount received from sponsored events. However, the money raised from a sponsored event does not belong to the individual who has been sponsored and is not his or hers to give as a Gift Aid payment.

The person being sponsored may ask the sponsors to make a separate Declaration to the church. This could be in a one-off type Declaration envelope.

However, it is possible to design a sponsorship form that can also be used as a Gift Aid Declaration form. The Inland Revenue has an example form in their Charity Guidance document. Where Inland Revenue approval for a sponsor/declaration form has been obtained, the form can be used as a substitute for the R68(New Gift Aid) form. In this case, the claim for the sponsored event should be made separately from other claims.

The sponsored participant will need to ensure that the amount paid over to the church with the sponsor form matches the amount on the form. The money can be paid in to the participant's bank, and the participant can write a cheque for the amount to accompany the form.

For very large sponsored events, there is a modified procedure possible. The Inland Revenue should be contacted prior to using this procedure.

For further details on sponsored events, please contact Church House, see the Inland Revenue Guidance for Charities, or contact the Inland Revenue.

5.2 Higher rate tax payers

The church can only claim back tax under Gift Aid at the basic rate, currently 22%, no matter at what rate the donor pays tax. If the donor pays the higher rate of tax, they can recover the difference in tax directly from the Inland Revenue, usually from their Self Assessment tax return. At the time of writing, the higher rate taxpayer pays tax at 40%, the church reclaims at 22%, and the donor can reclaim the 18% back from the Inland Revenue.

For example, a donation of £78 is worth £100 to the church after recovery of tax at the basic rate. The higher rate tax payer can obtain a further £18 tax back, reducing the cost to them to £60.

While it may be beneficial to offer an explanation of this, as an incentive to higher rate taxpayers to increase their Gift Aided giving accordingly, it would be unwise to assume that any particular individual is necessarily a higher rate tax payer, and has not already taken this personal tax relief into account in deciding how much to give.

5.3 Payroll Giving.

A number of employers make it possible for employees to give to charity (including the church) via a payroll giving scheme (known as Give As You Earn to those who, for example, use the Charities Aid Foundation to process their donations). Employees give from their pay before tax is deducted. From April 2000, this scheme was enhanced as follows:

- The Government planned to advertise the scheme to make it more widely known.
- The maximum limit of £1,200 a year for donations through Payroll Giving was removed. People can now give as much as they like under the scheme.
- To encourage this method of giving the Government increased the gross value of the gift under Payroll Giving by 10% for three years from April 2000 to April 2003
- Regulations require the agency to pay the money to the church within 60 days.

For example:

- If a donor gives £100 to a church through Gift Aid the church can recover the tax paid which, at the basic rate of 22% from April 2000, increases the value of the gift to £128.21.
- If a donor gives by Payroll Giving, the gift is made gross and the donor's tax bill is reduced by tax at their highest rate. If the donor gives £128.21, the cost will be £100 to them at the basic rate and only £76.93 if they are a higher rate taxpayer. The church will receive only £121.80 because £6.41 (eg 5%) is retained by the agency as a levy for operating the scheme.
- The Government will increase the gross value of the donation by 10% – i.e. a further £12.82.
- So a higher rate taxpayer will have given £76.93 after tax and the church will receive £134.62!

The problems with encouraging use of the scheme do not alter, however:

- The donor needs to ensure the amount they choose to give includes the tax which would be ordinarily be claimed back by the church under Gift Aid. Not every donor will understand this.
- The forms have to be completed at the workplace and not in the presence of the charity – so some are never completed.
- The charity has no proof that the forms have been completed until notified by the agency (with a Declaration the church sees the completed form).
- The full value of the gift does not reach the charity as the agency takes a levy – usually 5%.

Until April 2003, the church will benefit from donors who use the scheme correctly, while the government adds its 10%. After that however, the church will benefit more from Gift Aid, as the payroll giving agency charge will not apply.

5.4 Giving of Shares and Securities

Since April 2000, individuals have been able to get tax relief on gifts to charity of certain shares, securities and other investments. The donor can get income tax relief, in addition to capital gains tax relief, on gifts of shares to charity.

Whilst there is no direct benefit to the charity, except for the receipt of the shares or value of the shares, we need to make donors aware of this method of giving, and of the considerable value to them, particularly if they are higher rate tax payers. Further details can be found in the Inland Revenue leaflet IR178 "Giving shares and securities to charity", available from the Inland Revenue. The Giving Campaign also produces leaflets both for the charity and the donor.

5.5 Company giving

From 1st April 2000 the rules applying to companies who donate to charity changed. The church cannot reclaim tax on any donations received from a company on or after 1st April 2000. (Note 1st April, not 6th). This applied even where a Deed of Covenant was in effect after 1st April. A company will pay you the full donation including the tax and claim tax relief when calculating their profits for corporation tax. If a company incorrectly deducts tax from its donation, you should tell the company about the rule and ask it to pay you the sum it has incorrectly deducted.

5.6 Repayment interest

Repayment interest will be paid by the Inland Revenue on claims which are not made in a certain time period. Repayment interest is now due on claims from the day after the end of the accounting period (31st December) to which the claim relates. From 1st July 1999, the Inland Revenue had been under-calculating the repayment interest due, and at the time of writing, was reviewing interest which was due for claims made from this date, and issuing cheques where relevant.

5.7 The Gift Aid Secretary and the Annual Accounts

The Charities' Act legislation that came into force for the 1997 annual Church Accounts requires all Parochial Church Councils to include within their accounts various details which the Church Treasurer will require the Gift Aid Secretary to provide him/her with.

All PCC accounts are for the calendar year (year ending 31st December), and hence the Gift Aid Secretary will need to be able to supply the relevant information for that period (even though most Gift Aid Secretary's work is geared to the tax year!).

The Treasurer will need to liaise with the Gift Aid Secretary as to what information is required, and by what date, but the information required is likely to include:

For the year ended 31st December:

- Total Gift Aid donations

- Estimated amount of Income Tax Reclaim due, which has not yet been claimed (analysed by tax year)
- Amount of Income Tax Reclaim due, which has been claimed but not yet received (analysed by tax year)
- Estimated amount of Income Tax Reclaim due if a claim had been submitted on 31st December.

This information will need to be supplied for each category of fund - i.e. general funds and for each specific (restricted) fund.

5.8 Gift Aid Brand

A Gift Aid brand has been funded by the Giving Campaign, supported by the voluntary sector and the Government, which was set up to increase charitable giving in the UK. The brand has been created to raise awareness and take up of Gift Aid among both charities and the giving public. Any charity can use the brand as part of its fundraising. The brand is:



A free toolkit is available from the Giving Campaign, which describes when and how this Gift Aid Brand can be used.

5.9 Gift Aid and Schools

Schools, just like any other charity, can take advantage of Gift Aid for any donations freely given to the school. Every school is charitable via the purpose “for the Advancement of Education”, and they are exempt from registering with the Charity Commission. The main work of the school is part of the exempt charity. Anything else run by the school is (probably) charitable, for example, building funds, PTA, Governors Funds, Friends of the School. The fund may need to be registered if any of these three conditions apply:

- The annual income is over £1000
- There is a permanent endowment
- It occupies land or buildings

However, it may not be required to register - the Commission can make an Accounting Concession. For more details contact the Charity Commission. The school will need to register with the Inland Revenue for tax purposes.

Schools do need to be aware of the benefit rules. For example, school fees, school uniforms, school trips (in most circumstances) and lessons cannot be subject to Gift Aid. The need for a complete audit trail is also just as important as for churches.

5.10 Giving through the Tax Return

In 2003, an additional way for some people to give to charity was announced, taking effect from April 2004. In the UK, 3 million people have to complete a Self Assessment tax return. From April 2004, those who are due a repayment of tax from the Inland Revenue can choose to nominate a charity to receive the money, via their SA return, instead of receiving it themselves. In addition to this, they can choose to Gift Aid the repayment via an option their SA return. If wished, the donor can do this anonymously.

The charity will receive the money directly into their bank account. If the donor has chosen to Gift Aid the repayment, the tax will also be paid over automatically into the charity's bank account.

The Inland Revenue will publish a list of participating charities from which donors can choose. To be included on the list, each parish would need to complete a form with the required details, including bank account information.

The Published list will display your parish name, an alternative name for your parish/charity if it is known to donors by another name and possibly an address which you supply. Your parish will be allocated a code (not the Inland Revenue reference number) which will be used by the Inland Revenue and donors.

The deadline for guaranteed inclusion in the list for the 2003/2004 SA returns was 30 September 2003. Parishes on the Diocesan Scheme will have received forms from Church House. Other parishes should have heard directly from the Inland Revenue. If your parish has missed the deadline, it is possible that late applications may be included on the published list, and they will certainly be on the published list for the following tax year.

Section 6: Further Information

6.1 Forms, leaflets and advice

In addition to the advice in this manual, both the Diocesan Gift Aid office (particularly for Diocesan Scheme parishes) and the Resources Department are happy to try and deal with particular points on a day-to-day basis.

The Diocesan Gift Aid Office is open 5 days a week from 10.00 a.m. to 2 p.m. and you are always welcome to come down and talk over any problems. You may telephone before coming, just to be sure the Gift Aid Officer is free. However, the Resources Officers will also be pleased to answer any queries. Never hesitate to ask about anything you are not sure of, as it is much better to get things right first time round.

All necessary forms are freely available from the Gift Aid Officer for the Diocesan Scheme. Parishes claiming direct should apply to Bootle for claim forms.

The Resources Department also offers advice on the whole range of giving and fund raising issues. It is also useful to route enquiries to the Inland Revenue through the Department, as they can then be made anonymously.

Advice and materials for recording systems are available, together with leaflets and posters to help in the promotion of giving by Gift Aid, for a small charge.

6.2 Gift Aid Conferences

Every year we arrange 'get-togethers' at different venues in the Diocese, in order that you are informed of any changes in practice and/or emphasis when dealing with the Gift Aid Scheme. It is absolutely essential that all the guidelines and rules set by the Inland Revenue are complied with to the letter, and so that you, as Gift Aid Secretary, get full backing from your PCC, incumbents, treasurers, and PCC representatives are also invited. If you, they and your members are aware of all that is required, your scheme will run smoothly and you need have no fear of an Inland Revenue Audit, when it occurs.

We try to choose venues which are easily accessible from any part of the Diocese, and the seminars are usually held on Saturday mornings early in the year.

As well as listening, there is ample opportunity for you to have your say, to ask questions, make suggestions, and obtain supplies of publicity, recording kits etc. The meetings prove a valuable forum for the exchange of views, information and concerns.

6.3 Useful Contacts and Information

| <u>Contact</u> | <u>Address</u> | <u>Phone</u> | <u>Email/website</u> |
|-------------------------------|---|-------------------------------------|---|
| Gift Aid Officer | Church House 1 Hanover Street Liverpool L1 3DW | 0151 705 2132 | kim.stanley@liverpool.anglican.org |
| Resources Department | As above | 0151 705 2180 | carol.griffiths@liverpool.anglican.org |
| Church House | As above | 0151 709 9722 | |
| Inland Revenue | IR (Charities) St John's House Merton Road Bootle Merseyside L69 9BB | Help line: 0151 472 6036/6037 | www.inlandrevenue.gov.uk Choose "Charities & charitable giving". "Detailed Guidance" is the full Inland Revenue Guidance for Charities, on Gift Aid and tax effective giving. Chapters 3 and 6 are particularly relevant. charities@inlandrevenue.gov.uk |
| The Giving Campaign | | 0207 630 3154 | www.givingcampaign.org.uk admin@givingcampaign.org.uk |
| The Charity Commission | 20 Kings Parade Queens Dock Liverpool L3 4DQ | 0870 333 0123 | www.charity-commission.gov.uk |

Appendices

Appendix A – Example thank you letter

For Gift Aid donors. Please feel free to amend to suit your parish's circumstances.

Dear

I am writing on behalf of the Church Council to thank you for all your giving over the past year which has been made under Gift Aid. The amount of your giving on which we claim tax from the Inland Revenue on your behalf is £.....

I am also writing to ask if you could let me know if your taxable status has changed over the past year, or will change during the next, as I would not wish to claim anything to which we were not entitled.

Once again, many thanks for your giving under Gift Aid. The church depends on the giving of members such as you in order to fulfil its ministry in this parish; the tax we received from the Inland Revenue is a very welcome benefit.

Appendix B – Letter to donor for Oral Declaration

Example letter to a donor confirming an Oral Declaration. This should be amended to reflect the circumstances surrounding the Oral Declaration.

Donor's full name
Donor's address
Postcode

Date

Dear

Thank you for giving to St Ethel's Church and for agreeing, on/..../.... , that the Church can reclaim tax on all your donations. You will shortly receive a pack of weekly giving envelopes.

You are aware that you need to have paid an amount of income tax or capital gains tax equal to the tax we reclaim on your donations (currently 28p for every £1 you give).

You may cancel this arrangement in writing within 30 days and, if you do so, it will be as if this agreement had never been made. The Church will keep a copy of this letter.

Yours sincerely

Appendix C – Diocesan Scheme Gift Aid Declaration

This is freely available to Diocesan Scheme parishes. It is intended to be printed onto A5 size paper. Please note if you do photocopy this, the notes are intended to go on the back, and the first one, in particular, **must** be included as part of the Declaration.



Office Use Only

GIFT AID DECLARATION

[Empty rectangular box]

Details of donor:

Title Forename(s)

Surname

Address

..... Postcode

I want the church to treat all donations I have made since

...../...../20.....

and all donations I make from the date of this declaration until I notify you otherwise, as Gift Aid donations.

Signature Date/...../.....

NB Please see notes overleaf

Notes.

1. You must pay an amount of income tax and/or capital gains tax equal to the tax that the church reclaims on your donations in the tax year (currently 28p for each £1 you give).
2. Please notify the church if you change your name or address while the declaration is still in force.
3. You can cancel the declaration at any time by notifying the church – it will then not apply to donations you make on or after the date of cancellation or such later date as you specify.
4. If in the future your circumstances change and you no longer pay tax on your income and capital gains equal to the tax that the church reclaims, you can cancel your declaration (see note 3).
5. If you pay tax at the higher rate you can claim further tax relief in your Self Assessment tax return.
6. The Inland Revenue requires that all payments made are in a verifiable form i.e. Standing Order, Cheque, Envelopes, or are receipted.