



Central England Quakers
Finance Committee

Revised: January 2020

GUIDELINES TO LOCAL MEETINGS AND BRANCHES ON CLAIMING GIFT AID

Full details of the Gift Aid rules and regulations, and guidelines for claiming Gift Aid, may be found on the HMRC website www.hmrc.gov.uk/charities/giftaid Telephone Number 0300 123 1073

The following is a brief summary – please look at the website for full details

1 Gift Aid – the basics

Gift Aid is a way for charities to increase the value of monetary gifts from UK taxpayers by claiming back the basic rate tax paid by the donor. It can increase the value of donations by a quarter (25p in the £1) at no extra cost to the donor.

Donations that qualify for Gift Aid

Gift Aid can only be claimed on gifts of money from individuals, sole traders or partnerships, in any of the following forms:

- cash
- cheque
- direct debit
- credit or debit card
- postal order
- standing order or telegraphic transfer

Payments that don't qualify for Gift Aid

These include:

- donations of money from a company, payroll giving
- payments received in return for goods or services - these are not gifts - for example purchase of Christmas cards or tickets to a concert.
- gifts made using 'charity vouchers' or 'charity cheques' provided by another charity
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Volunteer Expenses – Gift Aid may be claimed on reasonable expenses (eg train fares) paid to volunteers only if the amount (or part) is paid back to the charity by the volunteer and if the volunteer pays income tax

2 Gift Aid Forms

These are available to download from the HMRC website. The form that is most relevant to CEQ will be for multiple (enduring) donations although there is also one for single donations. There will be no need to get existing donors to complete new forms but they must be used for all new donors.

Central England Quakers: Office, 40 Bull Street, Birmingham B4 6AF
Telephone 0121 236 2644 Email: ceq@phonecoop.coop Internet: www.centralenglandquakers.org.uk

The Central England Area Quaker Meeting Charities, registered charity number 224571

3 Gift Aid envelopes

Gift Aid envelopes which are pre-printed with the latest declaration wording are a simple and convenient way of recovering Gift Aid on casual donations (cash or cheque). CEQ envelopes for use by Local Meetings are freely available from the Area Office. All you have to do, to personalise the envelopes, is to print or stamp the name of your Meeting on them

4 Keeping records

You must keep an auditable record of:

- all Gift Aid declarations which includes confirmation that they must pay at least as much UK tax (for the tax year that they donate) as the amount you will reclaim on the donation
- any cancellations of Gift Aid declarations
- any benefits you provide to donors
- If a Gift Aid Declaration is cancelled, the form must be kept for 6 years from the date of receipt of the last donation.

5 Making a claim

If your meeting is not already registered to make Gift Aid claims you can apply to HMRC for enrolment and registration. This process may require some additional help from CEQ Finance Committee. You will firstly be required to register with HMRC Charities who will provide you with an activation code and a reference number. Central England Quakers is the umbrella for our meetings and branches and the next step is to get recognition from HMRC for the meeting. www.gov.uk/charity-recognition-hmrc The green start button will go through 3 questions to which the answer is yes which will be followed by a request for the reference numbers already obtained. The resulting form is then completed which will include information about CEQ so that HMRC can verify that the meeting/branch is part of this charity. Relevant reference numbers will be provided. This process will take 6 – 8 weeks to complete. This registration is completed on line – the postal form is no longer available. Should you wish to ring HMRC Helpline, the telephone number is at the top of this information. They are usually very helpful.

There will be the need from time to time to change the name of the authorised person who deals with Gift Aid Claims. This is done by downloading form CHV1 from the Charities section of HMRC website for completion. The variation form also requires the details and signatures of two responsible people for example, the examiner or link Trustee. Once all details and signatures are obtained, then the completed form is forwarded to HMRC Charities and a letter will be received confirming the changes. Enrolment – for new user – is processed as noted in the paragraph above.

There are three options for making a claim of which only two will apply to Central England Quakers. (The other option relates to companies dealing with their own software and hundreds of donors)

CEQ Options

Option 1 Claim using the HMRC Online Services form which can be downloaded to your computer. You should have a software programme installed on your computer eg Office 2010, Microsoft Excel, which, for Windows is compatible with the forms. For Mac users HMRC recommend special software (Libre Office) which can be downloaded from the internet without charge. The forms can only be downloaded through Internet Explorer – not Google.

Option 2 Claim using the new paper form ChR1 Gift Aid and Tax repayment claim. These forms will be available from the helpline for those who do not use or have access to the internet as noted above. Please make sure you have your charity details and relevant numbers ready when you phone.

For internet users, the Gift Aid Donation Schedule is available to download on line and is completed before you continue with your claim online and attach the schedule. The schedule allows for up to 1000 donors.

The following details will be required:

Title (optional)
Donor Initials or first name
Donor surname
House name/number
Postcode
Date and value of donation

If you are including payments made over a series of dates, you only need to record the date of the last payment.

The paper version ChR1 is designed so that the information can be scanned into the new system. Only original ChR1 forms will be accepted – no photocopies.

Gift Aid Small Donations Scheme - GASDS: You can now add together donations of £30 or less from unidentified donors, eg collection for meeting house funds, and show them as a single aggregate entry on your Gift Aid claim. You must have claimed Gift Aid in the same tax year you want to claim under GASDS. The maximum of Gift Aid you can claim in on any one tax year is £2000 but cannot be more than 10 times your Gift Aid claim – eg ordinary Gift Aid donation = £100, GASDS - no more than £1000 in small donation top ups.

Claims under GASDS are made the same way as under the normal Gift Aid Scheme but must be claimed in the same year that you receive them.

CEQ Trustee Finance Committee, however, has a concern that, although perfectly legal, this concession may not be consistent with Quaker ethical principles as it allows tax to be reclaimed on behalf of donors who have not paid it. Local Meetings are, of course, free to make their own decisions about whether to take advantage of this new scheme, but Friends should be encouraged to maximise “traceable” gift aid donations through the use of gift aid envelopes and other schemes where donors are identified and able to confirm their eligibility.

6 Treatment of Gift Aid on the AM pro-forma

When completing the Area Meeting proforma, for consolidation, you should include, as part of your declared income, the **value of Gift Aid associated with the donations**. This may differ from the value of Gift Aid actually received in the accounting period, especially if the Gift Aid claim period differs from your accounting period. **Gift Aid which is due to you, but which you have not yet claimed should be recorded in the Balance Sheet as a Debtor.**

If you need further advice on this, please speak to your Examiner, or to one of the Area Meeting Treasurer team.

James Bradbury (CEQ Treasurer to Trustees) Wendy Burnett (CEQ Gift Aid adviser)