Gift Aid & GASDS explained

Data Developments

Data developments

What will be covered in this course

1. What is Gift Aid?

- What is Gift Aid
- An overview of the requirements
- What you can and can't claim
- What classes as a benefit
- Gift Aid Declarations
- Joint Gift Aid Declarations
- Claiming on Sponsorship events

2. What else can I claim on

- What are Aggregated donations
- Numbered Gift Aid envelopes
- Collections for other charities
- Claiming on expenses
- Claiming on missionary giving
- Claiming on concerts/events
- Keeping Gift Aid Records

3. What is GASDS?

- What is GASDS
- Handover procedures
- Good practice
- Useful resources

What is Gift Aid

- In essence Gift Aid is the government returning to the church or charity the tax a donor has already paid on a donation they have given to your church or charity
- Therefore, Gift Aid is directly linked to the tax that a donor has paid – more specifically **Income Tax or Capital Gains Tax**
- In order to claim this tax back from the government and to ensure that this is done properly there are a number of requirements
  - The church or charity must be recognised by the HMRC as a Charity or Community Amateur Sports Club (CASC)
  - The donor needs to give you permission to be able to claim this money back
  - You need to keep proper records and audit trails linking the donor to the donation and their permission for Gift Aid to be reclaimed

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Overview of the requirements

- The donor needs to have paid sufficient **Income Tax or Capital Gains Tax** in the tax year the donations were made, to cover the Gift Aid you're claiming.
- To claim Gift Aid, you must be recognised as a Charity or community amateur sports club (CASC) with the HMRC
- What about if you are an 'Exempt Charity'?
  - An Exempt charity might not be registered with the Charity Commission, but it is still a Charity and so can register as a charity with the HMRC to claim Gift Aid and GASDS

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Overview of the requirements

- The donor needs to complete a Gift aid declaration but doesn't actually need to sign it, however it is beneficial if they do
- With the donor's consent you can claim Gift Aid on donations for the last four years
- It is the donor's responsibility to tell you if they are no longer a taxpayer or haven't paid sufficient tax
- If the donor hasn't told you and you claim more Gift Aid than they have paid in tax in the same tax year, the donor will receive a tax demand from the HMRC. **The donor will be responsible for paying this tax demand**.
  - You need to inform the donors of this when they are completing the declaration

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How much can I claim

- Basic rate tax is 20% - so this is the rate that you would claim Gift Aid on. However often you see the value of 'add 25p per £1 donation through Gift Aid' so how can this be correct?

Let's say that you earned £125 gross

20% would go to the HMRC in tax. 20% of £125 is £25

Leaving you with £100

You then decide to donate £100 to a charity and also Gift Aid it

The HMRC gives the £25 tax paid by the donor back to the charity so giving a donation total of £125

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What can I claim Gift aid on

- Donations of a donor's OWN money whether received by cash, cheque, standing order, Direct Debit, Credit/debit card etc

There are special rules which if met means you can also claim on:

- Sponsored events – covered later
- Charity membership fees – covered later
- Charity events and auctions – covered later
- Volunteer expenses donated back to your charity or CASC – covered later
- Funds raised through charities involved in running a school
- Selling goods on behalf of individuals – through a charity shop

See https://www.gov.uk/claim-gift-aid/what-you-can-claim-it-on for more details on the rules

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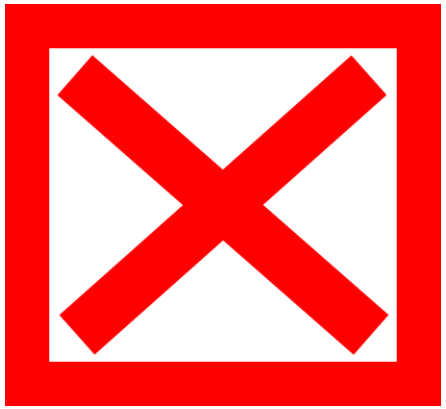
What can't I claim Gift Aid on



- Donations from Limited companies
- That are payments for goods or services
- Where the donor receives a 'benefit' over a certain statuary limit – covered later
- Admission to events such as jumble sales or concerts
- Payments for raffle or lottery tickets
- That started as loans but no longer need to be repaid
  - waiving of a loan can only be considered as a donation if there is a clear agreement to cancel the loan – covered later

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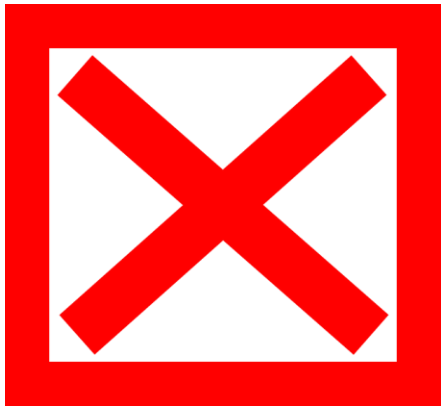
What can't I claim Gift Aid on



- Donations that must be repaid
- Payment of school fees for a specific person
- Donations made through Payroll giving
- Where the donation has been deducted from income, before tax has been paid
- A donation of shares
- From Charity cards or vouchers such as CAF vouchers
- Membership fees to CASCs
- Any donation before you were a recognised charity or CASC

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What classes as a benefit and what are the limits

- When someone makes a donation to your church or charity you may wish to give them a token of your appreciation – a 'benefit'
- However, if this benefit exceeds certain limits, then the donation will not qualify for Gift Aid
- This includes benefits that are associated with the donation but may be for a connected person, such as a relative

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What classes as a benefit and what are the limits

- A benefit is any item or service provided which is associated with the donation – whether or not it is actually received.
- There must be some connection between receiving the benefit as a consequence of making the donation
- What are the limits on the value of benefits – there are two tests which determine this:
  - Relevant value test
  - Aggregate value test

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What classes as a benefit and what are the limits

The Relevant value test

- Based on the amount of the donation
  - £0 - £100 the maximum benefit is 25% of the donation
  - £101+ 5% of anything over £101 to a maximum of £2,500

These limits apply separately to each donation.

For example, a donor makes a donation of £240 the maximum benefit would be (25% of 100) £25 + (5% the remaining £140) £7 = a maximum benefit of £32

Special rules apply to 'annualise' the amount of certain donations and the value of certain benefits, for example a membership subscription.

See Chapter 3.21.2 at the end for details

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What classes as a benefit and what are the limits

The Aggregate value test

- In essence the total value of all benefits received must not exceed £2,500 for all donations made on or after 6th April 2011
- For example, a donor makes an annual donation and receives an annual benefit valued at £1,000.
  - Assuming this meets the Relevant Test then this is fine for the first two years as the total aggregated value of the total donations is under £2,500
  - However, in year 3 the value would then be over £2,500 and so would fail this Aggregated value test meaning the donation would not qualify for Gift Aid

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How do you value a benefit

This can be difficult

- If the benefit is sold to the public then the value of the benefit is the sale price – a concert ticket for example
- If someone completely separate to the charity provides the benefit, how much would they charge for it – this is then the value, but evidence of this may be required.
- When you don't sell it and it isn't available elsewhere then the HMRC will accept any method of valuation which is fair and reasonable

It is also worth noting that this is the value to the recipient NOT the cost to the charity

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An example

As an incentive, new members may receive a teddy bear. This is on sale in shops for £5 but costs the charity £2 to purchase.

The value of the benefit would therefore be £5

For more detailed guidance and examples please see Chapter 3.23

What should a Gift Aid Declaration include

- Gift Aid declaration must include:
  - Donor's full name and house name/number plus their postcode.
    - It is good practice to get at least the first line of the address and postcode
  - The name of the church/charity
  - The gift or gifts that the declaration relates to (eg a particular donation or all donations for the last four years)
    - You can also include a line to cover all future donations as well
  - Confirmation that the identified donation(s) are to be treated as Gift Aid donations

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What should a Gift Aid Declaration include

- Gift Aid declarations can be given in writing (including email, fax, or text) orally or with an online donation
- For a declaration to be valid the church/charity must give an adequate explanation to the donor of the tax implication of making Gift Aid donations including the responsibility for the donor to pay any difference
- If a declaration doesn't contain enough information to trace the donor the HMRC may require you to get more information. Failing to do this is likely to mean that the declaration would be invalid

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Types of Gift Aid Declarations

Joint declarations

- It is possible for spouses, civil partners and other persons living together to make a 'joint' declaration on the same form
- The 'joint' declaration MUST include
  - The full name and address including postcodes for EACH person
  - The split of donations between them – which they will each need for their own tax affairs
  - They will each need to recognise that they will be liable for any tax due
- Effectively these are 2 Gift Aid declarations, with separate donations and claims

See Chapter 3.10.2

Data developments

Types of Gift Aid Declarations

Oral declarations

- Declarations can be made verbally, but if an audible and auditable recording of this verbal declaration isn't kept then a written record must be sent to the donor. This will need to include:
  - All the details provided by the donor in their oral declaration
  - An explanation that the donor must pay an amount of Income and/or Capital Gains tax equal to the Gift Aid claimed on their donation

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Types of Gift Aid Declarations

Oral declarations

- An explanation of the donor's entitlement to cancel the declaration within 30 days. If the donor does cancel within the 30 days, then it will be as if the declaration was never made and so not claimable.
- The date the donor gave the declaration and the date the charity sent the written record to the donor
- This written record can be sent on paper or as an electronic copy and emailed to the donor

See Chapter 3.10.1

Data developments

Sponsorship events

The money raised from a sponsored event doesn't belong to the person who's being sponsored and so it's not theirs to give as a Gift Aid donation.

However, it is possible for churches and charities to design a sponsorship form that can in effect be used as a multiple declaration form

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Sponsorship events

One suggested format includes:

- Declaration wording at the top of the form
- The sponsor's full name
- Sponsors home address – minimum home name/number and full postcode
- Amount pledged
- Amount collected
- Date collected
- Tick box to confirm that the amount can be treated as Gift Aid
- The date the sums collected were given to the charity

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For example

Sponsorship and Gift Aid declaration form

Please sponsor me (name of participant) _____

To (name of event) _____

In aid of (name of charity or CASC) _____

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

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

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

Data developments

Recording of Gift Aid Declarations

A church or charity must maintain a clear auditable record of declarations and of those making the declarations.

There must also be a clear audit trail linking each donation to an identifiable donor who has a valid Gift Aid Declaration.

The evidence that the HMRC is likely to accept includes:

- Written declaration made by the donor or a ticked box confirming Gift Aid can be claimed on the donation
- A computer record of a declaration template completed by the donor – such as an online donation

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Recording of Gift Aid Declarations

The evidence that the HMRC is likely to accept includes:

- An audio recording of making the donation
  - Confirmation that the donor has been sent a written record confirming their oral declaration
- An emailed copy of a declaration
- Copy of a mobile phone text message confirming the declaration

Data developments

Invalid Gift Aid Declarations

If a church or charity does not maintain a clear auditable record of declarations and of those making the declarations or where the records are insufficient, then the declaration will be invalid

In this circumstance the church or charity will be liable to pay back to the HMRC all the Gift Aid received in relation to those gifts including interest and possible penalties.

Data developments

Invalid Declarations

However, the charity may be able to validate an invalid declaration by sending a written or emailed statement to the donor.

Key information that needs to be included

- All the details provided by the donor
- An explanation that the donor must pay an amount of Income and/or Capital Gains tax equal to the Gift Aid claimed on their donation
- An explanation of the donor' entitlement to cancel the declaration within 30 days. If the donor does cancel within the 30 days, then it will be as if the declaration was never made and so not claimable.
- The date the donor gave the declaration and the date the charity sent the written record to the donor

Invalid Declarations

If the written statement is marked as 'return to sender' or 'not known at this address' the church or charity must treat the declaration as if it has been cancelled

If a donor changes their name and address, this will NOT invalidate the declaration, but a record of the updated information must be kept.

Cancelled Gift Aid Declarations

Donors are entitled to cancel their declaration at any time.

The donor must notify the church or charity in a convenient way and a record of this cancellation, including the date of the notification, must be kept.

The church or charity must not reclaim Gift Aid in respect to any donations received after the date of the cancellation. Donations received before the date can still be claimed.

EXCEPT - If a donor made a verbal declaration, has been sent a written statement and then cancels within 30 days. This cancellation will be retrospective – as if the declaration had never been made

Data developments

Aggregated donations

- You can 'Aggregate' (or add together) donations of £20 or less from different donors without having to submit all the donor details to the HMRC.
- For example, if you have a Baptism service and a number of donor's make a donation and fill in the Gift Aid envelope declaration.
- For all donations of £20 or less instead of having to create a donor record, record the declaration and donations details you can total them all together, for that event, and record it as one aggregated donation
- So long as the total donations don't total more than £1,000
- However, you MUST keep all the envelope declarations as this is your audit trail

Data developments

Keeping Gift Aid envelopes

- Numbered envelopes
  - For regular donors they may be given a box of envelopes with a unique number on which can be cross-referenced to the donor.
  - When these envelopes are opened the contents will need to be counted by at least two people, the amount written on the envelope and entered as a donation on the donor's record
  - All of these envelopes will need to be kept for the current year and then one 'sample month' of envelopes will need to be kept for previous years

Data developments

Keeping Gift Aid envelopes

- One-Off envelopes
  - These are envelopes which are intended for one-off donations and so have a Gift Aid declaration printed on them for the donor to complete.
  - Each one of these completed envelopes is a declaration in its own right and therefore these will need to be kept for six years plus the current year from the point that the donation contained in the envelope was claimed.

Data developments

Donations from joint bank accounts

If a church or charity receives a donation from a joint bank account or credit card and only one person on that account has signed a declaration it is assumed that:

- The donation is from the person who has made the declaration, EVEN if it is authorised by the other person – unless you hold evidence to the contrary
- If there is any doubt, then the church or charity should ask them to confirm whether the donation is from the person that signed the declaration or not.

Data developments

Church collections for other charities

Whether or not collections by churches for other charities can have Gift Aid claimed on them will depend on particular circumstances:

- Has the church exercised any discretion in collecting the donations for that charity?
  - If No:
    - Are the donations merely given to the church to simply pass on to the charity?
      - If Yes:
        - The church has no entitlement to the donations – they don't form part of your income
        - The church is merely acting as a conduit for the donation
        - The charity ultimately receiving the donation must claim any Gift Aid due NOT the church

For example – at the end of a funeral service the family want any donations to go to a cancer charity. The church has not exercised any discretion in this, the money isn't under the control of the church and doesn't form part of its income it is just forwarding the money to the charity. Therefore, Gift Aid could NOT be claimed on these donations

Data developments

Church collections for other charities

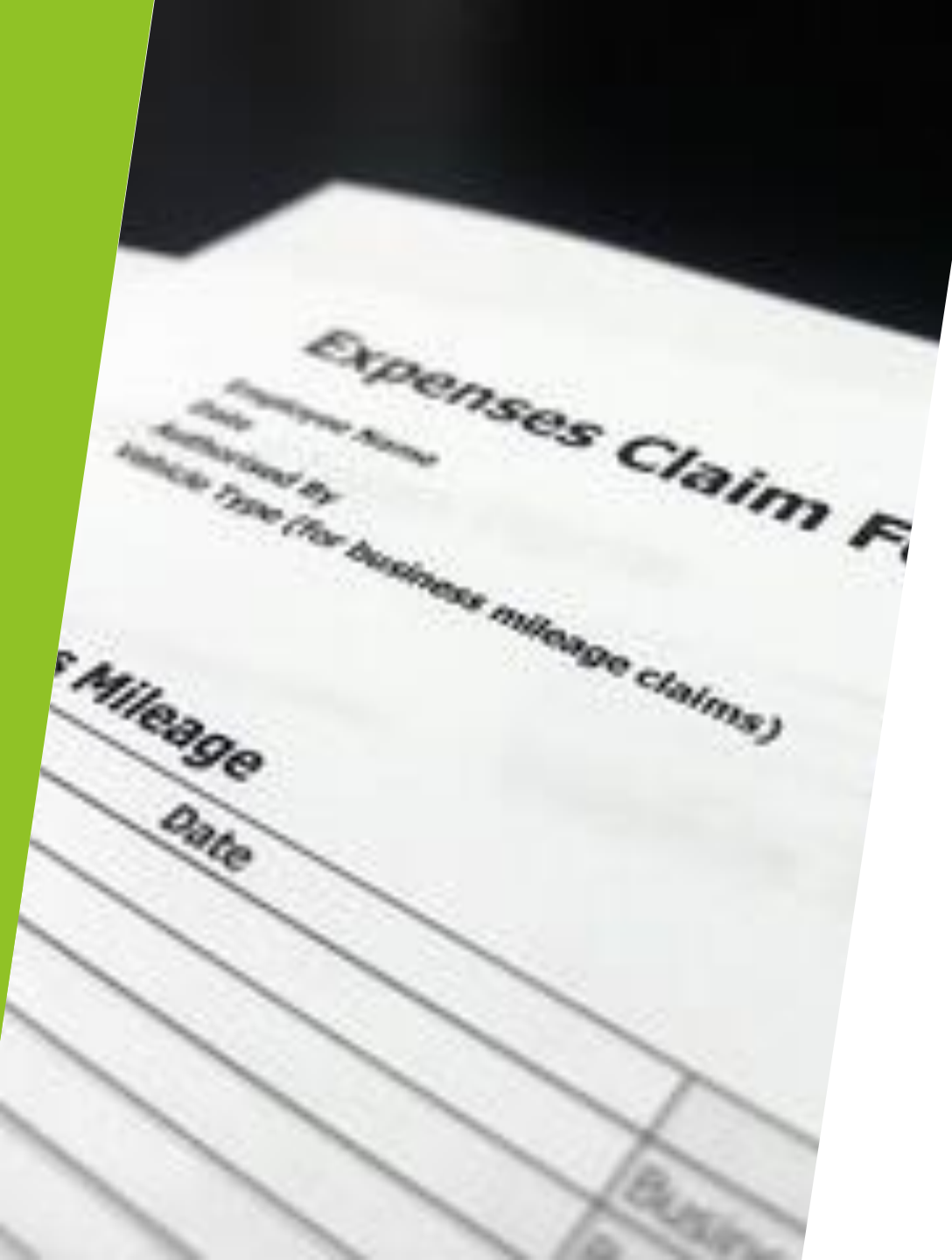
However, a church may decide to give money to charities – a foodbank for example. Therefore, they open a Restricted fund for donations to a particular charity:

- The fund is a Restricted fund of the church
- The church has decided which charity the funds will go to beforehand
- The donations form part of the church's income
- The church is able to claim Gift Aid on these donations

It is important to note that for any Gift Aid reclaimed on these donations the church is legally obliged to pass it onto the charity – the donor would have made their donation in expectation that both the donation and Gift Aid would be going to the charity

For example – The church decides to make a Harvest collection for a local foodbank. The church sets up a Restricted fund for this collection and encourages its donors to make a separate donation to it. This would be counted as income to the church and if a donor has an existing declaration with the church there would be no need for them to sign a second one. Gift Aid could then be claimed on these donations so long as all the other standard conditions were met. Both the donation and the associated Gift Aid would go to the foodbank

Data developments



Can Gift Aid be claimed on voluntary workers' expenses

Volunteers may incur expenses, such as travel, when working with the church or charity to carry out their work.

So long as the expenses are reasonable and proper, the volunteer can be reimbursed for their expenses incurred.

One of the requirements of the Gift Aid scheme is that the donation has to 'take the form of a payment of a sum of money'

In other words 'cash has to change hands' - it can't just be a paper exercise.

Data developments

Can Gift Aid be claimed on voluntary workers' expenses

Therefore, the church or charity must physically pay the expenses to the volunteer.

The volunteer can then keep the money or has the free will to decide to donate some or all of the money back to the church or charity – it is the volunteers **free** choice.

This therefore makes the money they give back a free will donation. The normal rules would then apply to be able to claim Gift Aid – declaration, sufficient tax paid etc.

Data developments

Donations to support missionaries and other full-time workers

- Gift Aid only applies to unfettered gifts to a church or charity for its charitable purposes. The church or charity also have to be able to show that the money and Gift Aid received has been used for charitable purposes only.
- Donations for a missionary or other full-time worker from a family member or relative will NOT be eligible for Gift Aid if the donation is merely seen as a way of channelling a donation to a relative.
  - **For example**, if the missionary society says 'It is up to you to support yourself while you carry out your charitable work, with the help of your family. If your family wishes to send you money, they can do so via the church.

    Under these circumstances any donations the church or charity receives from a family member or relative will be seen as simply being channelled to that person and so would not qualify for Gift Aid

Data developments

Donations to support missionaries and other full-time workers

- However, where a church or charity can demonstrate that it has the discretion as to where the funds go and even which missionary they are for, these may then qualify for Gift Aid.
  - **For example**, If the church or charity was supporting two missionaries and said that 'It costs £10,000 a year to support you while you carry out your missionary work and we look to you to raise at least this amount for the church through donations from family'. These donations may then qualify

Data developments

Charity events, concerts etc

- To be able to claim Gift Aid on a donation it must be a free will gift of money - there can be no requirement to make the donation.
- Therefore, the purchase of a ticket, an admission charge to attend an event is a purchase to attend, not a donation. Without paying this money they cannot attend the event, so it is not a free will donation and so not eligible for Gift Aid.
- Similarly describing something as a 'minimum donation' or a 'donation' to attend an event is not a free will donation and so not eligible for Gift Aid

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Charity events, concerts etc

What are the options?

- You could set a ticket price and in addition request a donation on top. This donation could be eligible for Gift Aid if:
  - It is not compulsory – the donor has the free choice to simply pay the ticket price and nothing else
  - The donor must be made aware that the donation is not compulsory and that they need only pay the ticket price
  - Preferential treatment cannot be given to those who do make the donation over those who do not

Data developments

Charity events, concerts etc

Alternatively:

- You could run the event as a donation only event
  - However, it shouldn't put the church or charity funds at risk
    - What happens if there is a loss?
  - Donations are completely free will
    - This means that people could attend the event without donating a penny!

Data developments

Charity Auctions

A payment for an item at an auction is not a gift to a charity, but a purchase.

However, a person may have intentionally paid more than the item is worth to help further support the charity – could gift aid be claimed on this 'overpayment'?

- **Possibly Yes** – If the item is commercially available then any amount paid over this could be claimed as a donation and so eligible for Gift Aid – assuming the normal requirements are met and that it doesn't breach the benefit rules.
  - **For example**, a football shirt is auctioned, and a person pays £100 for the item. Exactly the same shirt is available in the shops for £40, therefore the 'overpayment' of £60 could be classed as a donation and so eligible for Gift Aid – assuming the normal requirements are met and that it doesn't breach the benefit rules.

Data developments

Charity Auctions

A payment for an item at an auction is not a gift to a charity, but a purchase.

However, a person may have intentionally paid more than the item is worth to help support the charity further – could gift aid be claimed on this 'overpayment'

- **Definitely No** - The item is commercially available but has been enhanced and this isn't available in the shops. The item can now not be equally compared with an item commercially available elsewhere and so the full amount paid at the auction is the purchase price and so it is not eligible for Gift Aid
  - **For example**, if we assume that the football shirt previously was signed by the players, and this isn't available in the shops. There is no way of comparing this against the price paid in the shops and therefore this is no the donation - the full amount is the purchase price, and nothing is eligible for Gift Aid
- **Definitely No** – If the item isn't commercially available then it can't be compared to anything and so the price paid at the auction is the purchase price and there is no donation

Data developments

Charity Auctions

Remember also the Gift Aid benefit rule

An item may have been purchased at an auction which is above the commercially available cost BUT if this means that the donor has received benefits over those allowable for Gift Aid then the 'overpaid donation' isn't eligible for Gift Aid

- **For example**, an interior designer auctions their services to design a living room. The designer's standard costs (available on their website) is £2,000 for this service. The auction purchaser pays £5,000 for this which is £3,000 above the commercially available cost. However, this '£3,000 donation' is also above the maximum £2,500 benefit rules and so would not qualify for Gift Aid.
  - In this circumstance the donor may, as a concession, be able to split their payment in to the £2,000 element to purchase the item and the remaining £3,000 as a donation.

    So long as the benefit can be purchased separately, and that the donor is aware of the monetary value of the benefit at the time they make their donation. See Chapter 3.40.7 for more details

Data developments

Charity Auctions

Valuation of the benefit is the benefit to the donor, not how much the church or charity have been or indeed received it for free. The benefit value is calculated the same as before:

- Is the benefit commercially available?
  - **If Yes**, then this is the benefit value – irrespective of what the church or charity may have paid for it
  - **If no**, then the purchase price paid is the benefit value amount

Data developments

Claiming Gift Aid on Waived Refunds and Loan repayments

The HMRC will consider donations made from a waiver of a right to either a refund or a loan repayment to be eligible for Gift Aid under certain conditions

- There needs to be a formal waiver held by the church or charity
- All of the normal Gift Aid rules are met
- The date for the 'donation' will be the date of the waiver, not the date of the original payment

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Claiming Gift Aid on Waived Refunds and Loan repayments

What should this waiver look like?

- **If it is for a small, nominal amount** – such as the refund of a couple of tickets to a fund-raising event which has been cancelled, then an auditable record of correspondence need to be kept between the organisation and the donor confirming that no refund is required and that the amount is to be treated as a donation.

Claiming Gift Aid on Waived Refunds and Loan repayments

- **If it is for a larger amount**, such as a loan repayment, then there would need to be a legally enforceable document in place which, amongst other items, should include:
  - Details of what is being waived
  - A statement making it expressly clear that the lender is giving up all legal rights to any future payments
  - Confirmation that the amount waived is to be treated as a donation for Gift Aid

In all circumstances it should be made clear to the individual that they have a choice between obtaining a full refund or waiving their rights and classifying it as a donation – otherwise it is not a freewill donation

Data developments

Digital giving and social giving accounts

A person may use their social giving account to pay in money from jumble sales, raffles, tombola's, etc in order to pass onto the charity but Gift Aid cannot be claimed on this money as it doesn't belong to the donor – they are simply the conduit for passing it onto the charity.

So even though a fundraiser may have a social giving account with a fundraising website such as Wonderful.org which holds credit/debit card details, the Gift Aid principles still remain:

- A donor can only donate and have Gift Aid claimed on their OWN donations
- A Gift Aid declaration would still be required
- The donor would still need to ensure that they have paid sufficient tax

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Digital giving and social giving accounts

When a donor makes a donation some sites allow you to add a 'supportive message' and a donor may wish to include the names of their family in this message. So long as the donation is the donor's own money then it would still be eligible for Gift Aid; even though they may have included 'best wishes from the Smith family' in the supportive message

For example

- David donates £50 of his own money to a charity and complete a Gift Aid Declaration. In the message with the donation, he says "best wishes from the Jones family"
  - This would qualify for Gift Aid because the donation is from David's own money, even though he mentions the family in the supportive note
- Paul runs a marathon, and his Mum gives him £75 which Paul donates to his chosen charity using his Social giving account including the message "from Mum and Dad"
  - This would not qualify for Gift Aid as Paul has not donated his own money

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Keeping Gift Aid records

- Churches and charities need to keep clear and auditable records that show how much has been received from each donor that has completed a Gift Aid declaration.
- Churches and Charities must be able to show that their Gift Aid reclaims are accurate which means
  - An audit trail linking each donation to an identifiable donor
  - This donor has given a valid Gift Aid declaration
  - That all of the conditions for Gift Aid have been satisfied

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Keeping Gift Aid records

Beware:

If adequate records are not kept then the HMRC may require you to pay back the Gift Aid claimed, with interest and you may even be liable for penalties

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What Gift Aid records should be kept

When HMRC come and audit a repayment claim they will normally review a sample of the donations on which Gift Aid is being claimed.

For each donation they will want to see:

- The relevant Gift Aid declaration
- Written statement by the charity, if it is required to send one to the donor, such as confirmation of an oral declaration, for example
- All correspondence with the donor relating to these donations
- Notification by the donor of a change in address
- Notification by the donor of the cancellation of the Gift Aid declaration

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How long should records be kept

The records don't have to be on paper, they could be kept in computer records – but make sure you have proper backups.

How long should the records be kept for?

- If it is an enduring (or open ended) declaration and the donor is still donating, then the declarations will need to be kept permanently.
  - Until or unless they stop donating or you stop claiming Gift Aid on their donations and the time limits on the next slide apply

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How long should records be kept

How long should the records be kept for?

- They should be kept for at least six years plus the current year from when the claim was submitted.
  - Note: if the HMRC ask questions about a claim then these records will need to be kept until the enquires are finished

For example - a donor donates £100 in May 2013 and signs a declaration for this. However, the church or charity doesn't claim on this donation until April 2014. The records would have to be kept until April 2021 – six years plus the current year from when the claim was submitted

Data developments

What about GDPR?

If you are holding information on a computer system, then the only information the HMRC requires for the declaration and claiming Gift Aid is:

- Donor's full name
- Donor's address and postcode
- Gift Aid declaration details
- Donation details
- Details of any correspondence

On this basis you will be holding this information for a legal purpose – for claiming Gift Aid which the donor has agreed through the declaration and so you do not need to get separate GDPR permissions to hold this information.

Data developments

What about GDPR?

However, if you hold any additional details such as phone number, email address, marketing preferences then you will need to obtain permission to hold this additional data.

It is also worth noting that when you no longer need to keep a donor record for HMRC purposes (ie you haven't claimed on their donations for over six years plus the current year), then you no longer have the legal right to hold that data and so it should be removed.

Data developments

What is GASDS

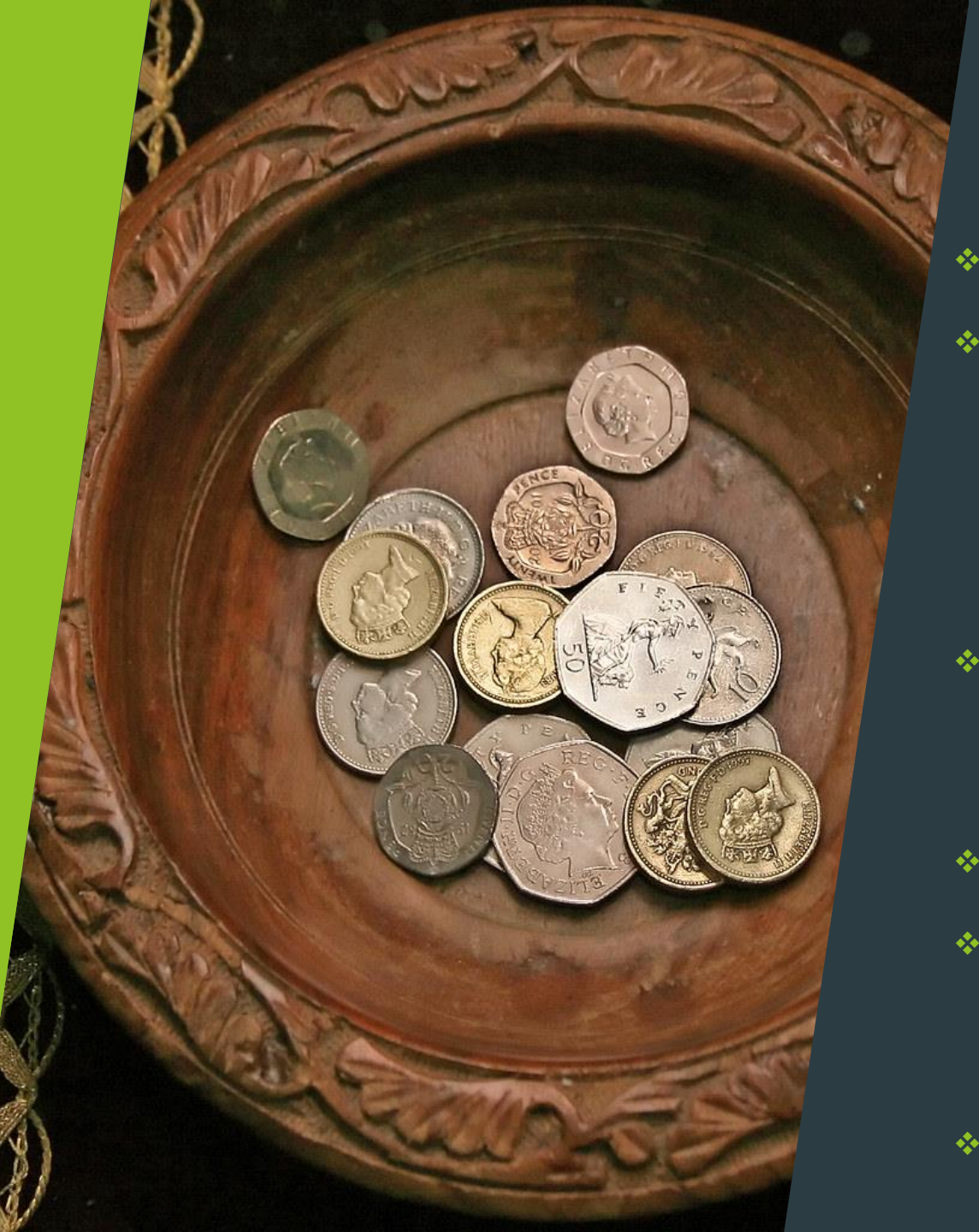
- GASDS stands for Gift Aid Small Donations Scheme – but confusingly it has nothing to do with Gift Aid
- GASDS is not in any way linked to the amount of tax a donor has paid but is a government spending measure
- It is however calculated the same way as Gift aid so a £1 donation would be increased by 25p through GASDS
- It is based on tax years
- No benefits can be given to an individual that makes a small donation

Data developments

What is GASDS

- It is a top up payment for loose plate or bucket collections which could be made anonymously
- Or it could also be from donors who do not pay tax and for which you DO NOT have an existing Gift Aid declaration for
- Membership fees aren't small donations for GASDS purposes
- Donations from Companies or Trusts also cannot be GASDS

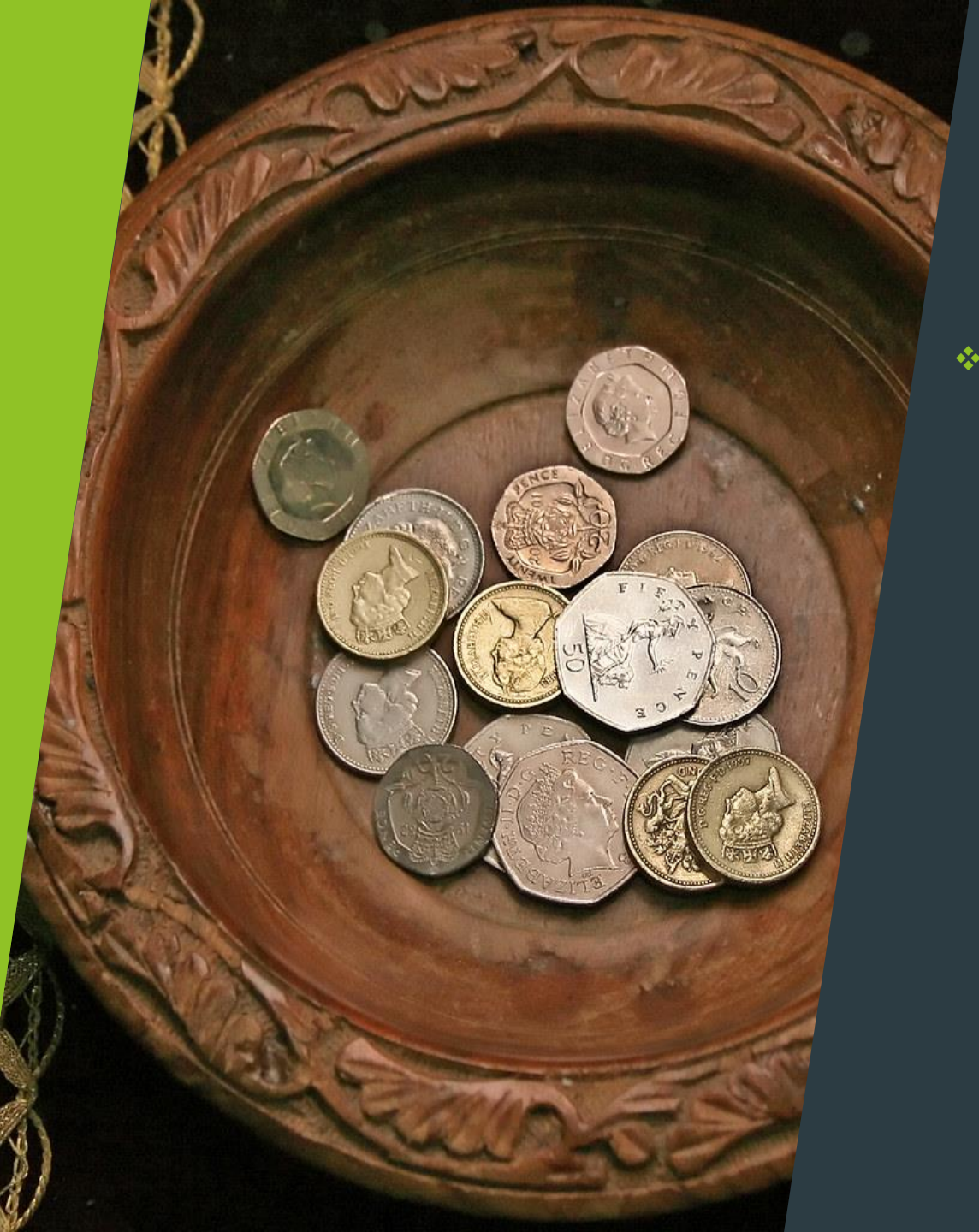
Data developments



What is GASDS

- Donations must be collected in the UK
- They must be paid into a UK bank account kept by the church or charity – if any cash is taken out to pay for minor expenses, then if it isn't banked it doesn't count!
- Gift Aid and GASDS cannot be claimed on the SAME donation – it is one or the other
- Cash and Contactless donations only
- Taps from a mobile phone linked to contactless debit or credit cards are also acceptable
- Each donation can only be for a maximum of £30

Data developments



What is GASDS

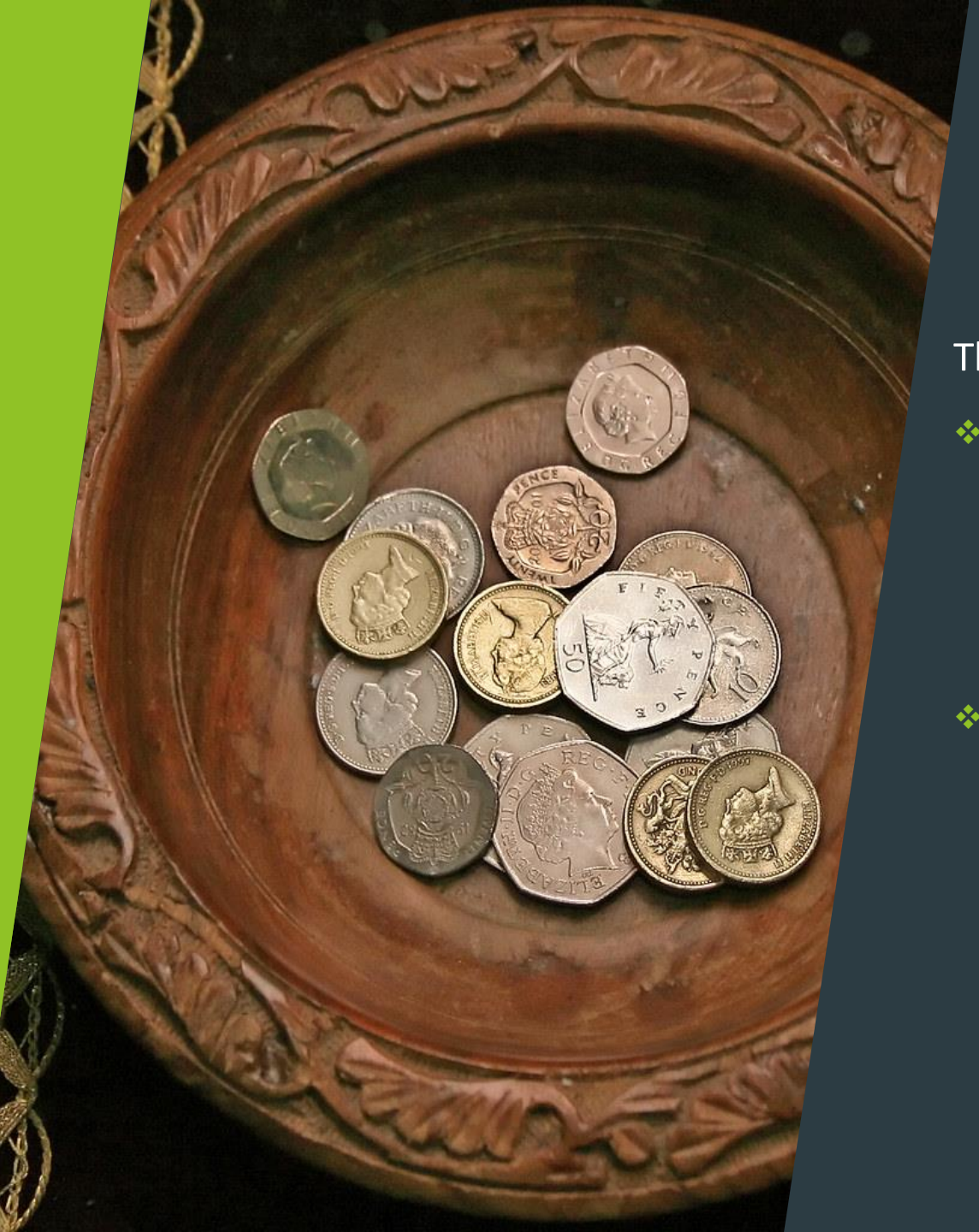
- Reasonable steps should be taken to apply the £30 limit to donations
  - If two £20 notes appear separately on the collection plate, then it could be assumed that these are separate donations and can be claimed as GASDS
  - If two £20 notes are given in one envelope on the collection plate, then this would be one donation of £40 and so not eligible for GASDS

Data developments

What is GASDS

- The maximum you can claim is £8,000 in donations meaning you will receive a maximum of £2,000 in GASDS per tax year
- To claim this £8,000 the charity must have claimed Gift Aid on at least £800 of eligible donations in the same tax year. The 10:1 rule
  - So, beware if you are thinking of claiming on the full £8000 GASDS donations in April but haven't yet submitted a Gift Aid claim in April
- The charity cannot have incurred a HMRC penalty in respect of Gift Aid or GASDS claims in the previous two years

Data developments

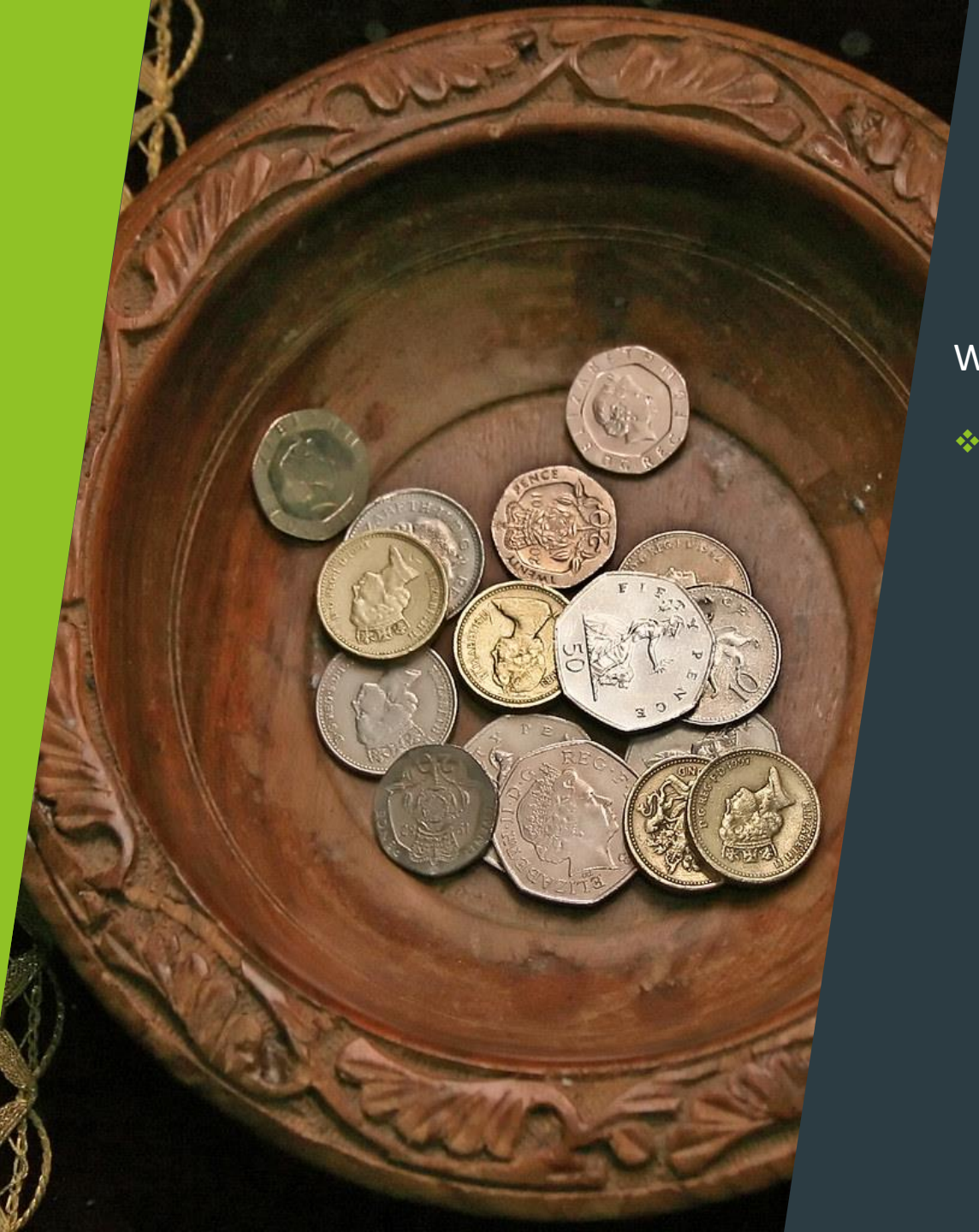


What is GASDS

There are two options to claim GASDS

- **Method A** – If your church or charity only operates from one building then you can claim up to £8,000 on donations collected anywhere in the UK
- **Method B** – If your charity operates from two or more buildings you may be able to claim the £8,000 for each of these buildings for donations claimed in that building or the same Local Authority area
  - This is claiming GASDS via Community Buildings

Data developments

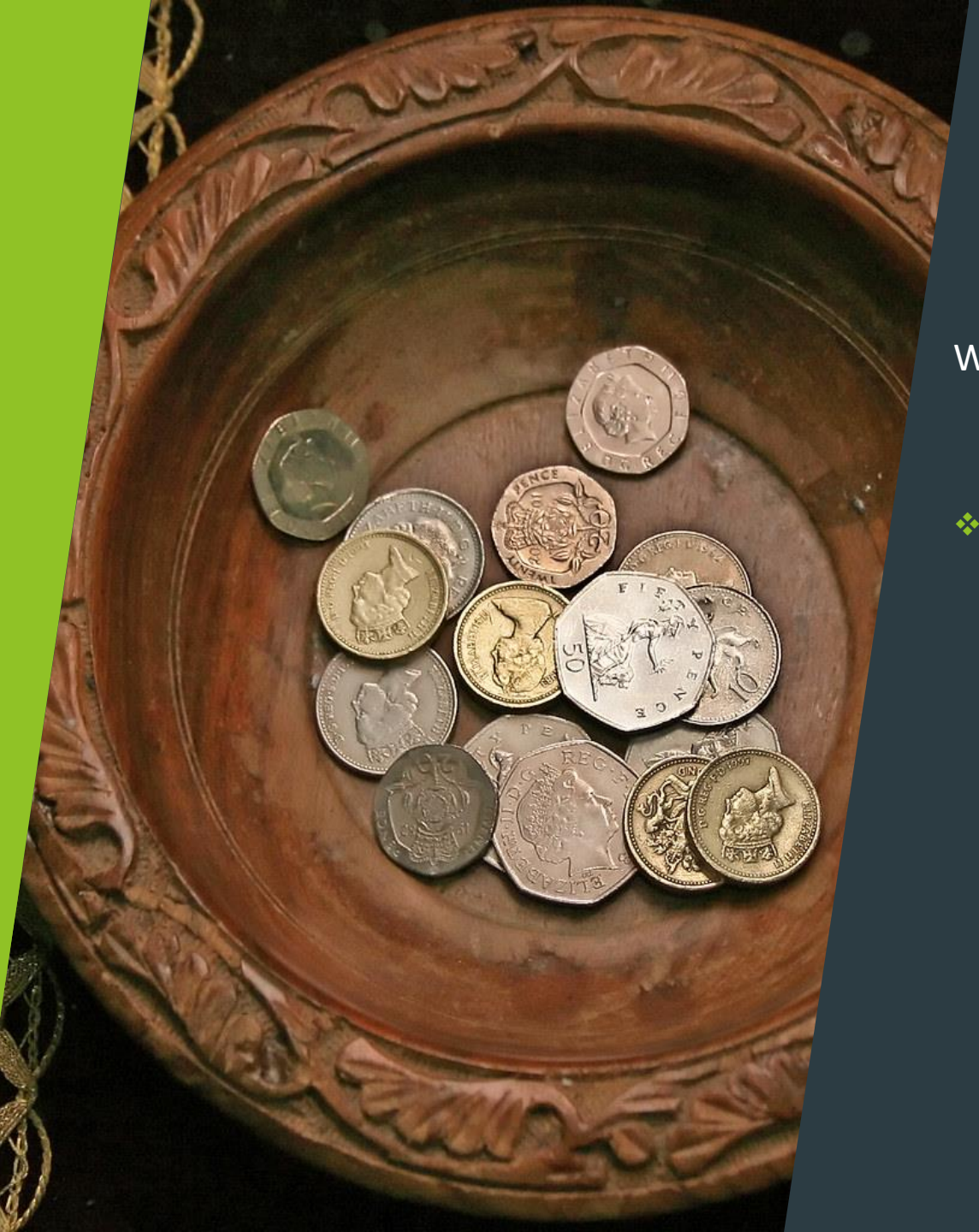


What is GASDS

What is a Community Building

- A community building is a building (or part of) in which a charity carries out its charitable activities to groups of 10 or more beneficiaries on a least 6 occasions each year
  - The beneficiaries must not be charged access to the part of the building where the activity takes place.
  - Donations can be collected at any time, not just during activities
  - The activity must be open to members the public

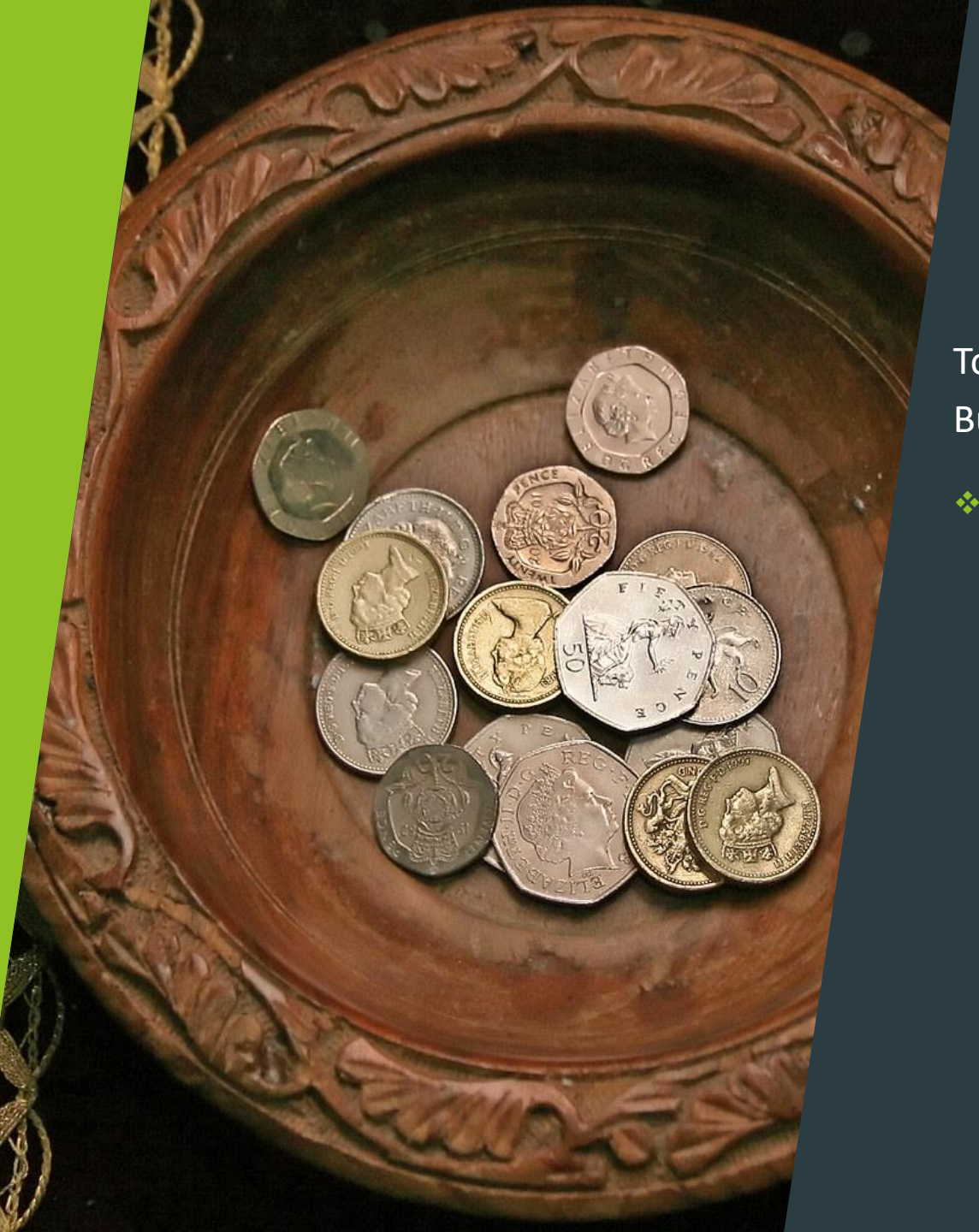
Data developments



What is GASDS

What is a Community Building

- Only donations that have been collected in the Community building or the Local Authority area it is located in can be claimed as GASDS

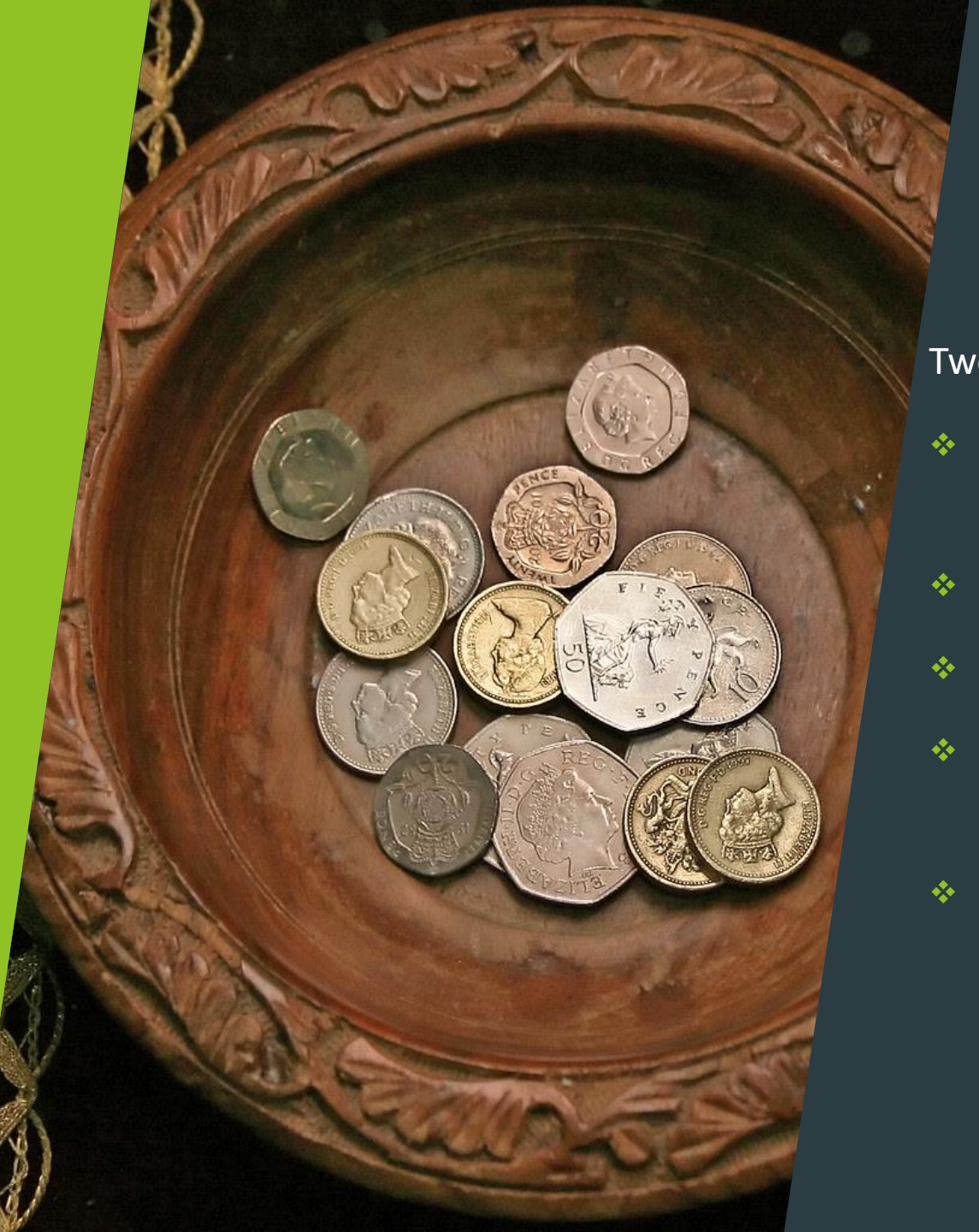


What is GASDS

To claim GASDS on donations for a Community Building

- The address of the Community building together with a record to show that at least 6 charitable activities with 10 or more beneficiaries took place in order to qualify
  - The date the money was collected
  - The location the money was collected which should include the address and postcode
  - Which Community building the donations will be allocated to for the GASDS claim

Data developments



Keeping records

Two people should count the cash and record:

- How much was collected – including the denomination of coins and notes
- The date the money was collected
- Confirm that no individual donation was over £30
- Keep the records for six years, plus the current year
- For contactless donations
  - Keep a record of the contactless donations received – this may be receipts from your card machine for example

Data developments

Common errors

- Claiming more than the GASDS limit
  - HMRC do not need to know the total amount you have received as GASDS eligible donations if it is over £8,000
- Claiming GASDS on a financial year, not tax year – GASDS is a government spending measure and so is governed by tax years
- Submitting GASDS claims when you haven't submitted a Gift Aid claim in that tax year
- Trying to claim on GASDS on donations from more than two tax years ago – based on the end of the tax year in which the donations were made

Data developments

For more information

- For more information click here: https://knowhow.ncvo.org.uk/organisation/financial-management/tax-and-trading/gift-aid-and-gasds/gift-aid-small-donations-scheme-gasds

Handover procedures

- Make sure that you have valid declarations for ALL active donors
- Make sure you have declarations for donors that you have claimed donations on in the last six years and have stopped giving
- Make sure you have all the 'one-off' envelopes for the last six years, plus the current year
- Remove any donor details for which you haven’t received and claimed on any donations for over six years, plus the current year

Data developments

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Handover procedures

- Ensure that you have all the envelopes for the current year and a sample one month of envelopes for the previous years
- Ensure the Gift Aid records are up to date before handing over
- Ensure that you have access to all the records required – such as bank statements
- If required ensure that you have log in access to websites and donations platforms

Data developments

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Handover procedures

- Update HMRC by completing a CHV1 form, signed by two trustees and is sent to the HMRC – no claim can be submitted for at least six weeks after sending the form to them
- Ensure you have the Charities Online login details in order to be able to submit claims to the HMRC

Data developments

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Good practice

- Change the password for any systems that you use for Gift Aid
- If you use numbered envelopes for donors to donate through, the number assigned to a donor can change each year. Keep a record of the envelope number allocated to each donor for each year
- Cash and envelope giving should be counted and recorded by two separate people. Donation amounts should be recorded on the envelopes themselves as well as the donor's record
- When you have no legal reason to keep the information – it should be removed for GDPR purposes

Data developments

Good practice

- Remind donors regularly that they need to inform you if their tax circumstances change
- Especially remind donors when tax personal allowances change
- Keep a record of all donations – whether Gift Aided or not, so that if a declaration is given later on and the donor gives permission for donations for the last four years to be claimed on, you will already have the records.
- Keep an eye on your regular non-Gift Aided donors - may be have a chat with them to see if they would be willing and able to sign a declaration form

Data developments

Good practice

- Send Thank you letters to all donors. Thanking them for their donations, reminding them how helpful Gift Aid can be and letting them know what these donations have enabled the church or charity to do over the last year.
  - Never ask donors to increase their donations in a Thank you letter – it destroys the integrity of the letter. Thank people for their donations and tell them the positive work this has enabled you to do
- Keep all your paper records and envelopes in organised files - it can greatly reduce stress during an audit and make it easier to handover when you are ready

Data developments

Useful resources

Gift Aid information

- More details on the rules relating to what you can claim Gift Aid on: https://www.gov.uk/claim-gift-aid/what-you-can-claim-it-on
- Sample Sponsorship and Gift Aid declaration https://www.gov.uk/government/publications/charities-sponsorship-and-gift-aid-declaration-form
- Full HMRC guidance on Gift Aid https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid

Useful GASDS information

- Information on GASDS https://knowhow.ncvo.org.uk/organisation/financial-management/tax-and-trading/gift-aid-and-gasds/gift-aid-small-donations-scheme-gasds

Data developments