

GIFT AID 2012: WHAT YOU NEED TO DO

As a result of new guidance from HM Revenue & Customs (HMRC), all parishes will need to use new wording in all Gift Aid declarations that are signed after the end of this year (31/12/2012). However, parishes are encouraged to make the changes as soon as possible. Parishes also now need to retain records for six years.

Key Points:

1. The key change is that Gift Aid declarations must stress that donors must pay enough tax to cover all of their charitable donations and not just the donations made to a particular charity at a particular time.
2. This will mean having a new declaration for Gift Aid envelopes, other one-off declarations **and** also enduring declarations accompanying regular giving. You may also need to change anything that is held on websites.
3. Enduring declarations already held do not need to be changed, but the requirement that donors must pay sufficient tax to cover all their charitable donations still applies, (and has always been the case).
4. HMRC has also given consent for PCCs to use up existing stocks of Gift Aid envelopes, even after the 31st December deadline. All new supplies from envelope suppliers should now conform to the new requirements
5. As a reminder, any references to the amount reclaimed should be 25p for every £1 donated or 25%. Any references to reclaiming 28p for every £1 donated, or 28% are out of date and must be changed.
6. You should also check that any references to back claims are for four years, not the previous six.
7. On a separate point, HMRC have also changed the requirement to hold records back to six years.

HMRC's revised wording sets out that:

- the donor must have paid enough UK Income or Capital Gains Tax to cover all of their charitable donations to charities and Community Amateur Sports Clubs and
- that other taxes such as Council Tax and VAT do not qualify

Model declarations are offered overleaf using the revised wording for regular donations, and for one-off donations and envelopes. For full advice on Gift Aid declarations, please see either

- C of E specific guidance:
<http://www.parishresources.org.uk/wp-content/uploads/GAB4DecsandEnvs.pdf>
- or HMRC's guidance at http://www.hmrc.gov.uk/charities/gift_aid/declarations.htm

For One-off Donations:

<p>Christ Church, Generousville</p> <p>Envelope for Gift Aid Donations <i>giftaid it</i></p> <p>Please print clearly NAME (surname & initials) _____ HOUSE No./NAME _____ POSTCODE _____ DATE _____</p> <p>I wish Gift Aid to apply to the enclosed donation and I confirm I will pay in this tax year an amount of Income Tax and/or Capital Gains Tax at least equal to the amount that all charities and Community Amateur Sports Clubs to which I give will reclaim on my gifts for this tax year (25p for each £1 given). I understand that other taxes such as Council Tax and VAT do not qualify.</p>

For Regular Donations:

Christ Church, Generousville

Please treat as Gift Aid donations all qualifying gifts of money made from the date of this declaration and in the past four years. I confirm I have paid or will pay an amount of Income Tax and/or Capital Gains Tax for each tax year (6 April to 5 April) that is at least equal to the amount of tax that all the charities (including churches) and Community Amateur Sports Clubs that I donate to will reclaim on my gifts for that tax year. I understand that other taxes such as VAT and Council Tax do not qualify. I understand the charity will reclaim 25p of tax on every £1 that I give.

Full Name : _____

Address (including postcode): _____

_____ Postcode: _____

Signature: _____ Date: _____

NOTES

- ① Please notify the church/charity if you
 - Want to cancel this declaration
 - Change your name or home address
 - No longer pay sufficient tax on your income and/or capital gains. Gift Aid is linked to basic rate tax. Basic rate tax is currently 20%, which currently allows charities to reclaim 25 pence on the pound.

- ② Higher rate taxpayers can claim back the difference between basic rate and higher rate or additional rate tax. If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self Assessment tax return or ask HM Revenue and Customs to adjust your tax code.