

# **Gift Aid Guidelines**

## **for Ipswich & Diss Area Quaker Meeting**

**(Charity Registration No: 1134526)**

### **1. Introduction**

These Gift Aid guidelines are for the treasurers/collectors of Ipswich & Diss Area Quaker Meeting (AM), Ipswich & Diss Area Meeting Property Charity (1134526-1) and the six Local Quaker Meetings (LMs): Bury St. Edmunds, Diss, Felixstowe, Ipswich, Leiston and Woodbridge. Since there are no individual donor contributions to the Richard Waynforth Trust (1134526-3) and Agnes Moss Bequest Trust (1134526-4), these charities are not affected by Gift Aid.

The aim of the guidelines is to ensure that all of HMRC's Gift Aid requirements are being met and to clarify any recent changes to Gift Aid prior to the submission of the AM's annual Gift Aid claim.

### **2. Gift Aid**

Gift Aid is used to increase the value of contributions made by donors who are UK taxpayers. When a UK taxpayer gives a donation, they have already paid tax on that money. Charities that are exempt from tax can claim an amount from HM Revenue & Customs (HMRC) equal to the tax paid on that money by the donor. This HMRC repayment is known as Gift Aid.

From 6 April 2008, the basic rate of Income Tax is 20 per cent. This means that for every £1 qualifying donation received, a repayment of 25 pence can be claimed. This is because a donor who is a basic rate tax payer will pay 25 pence tax when they earn £1.25 – £1.25 taxed at 20 per cent equals 25 pence tax. This leaves the donor with £1.00 net income after tax is deducted.

If a donor is uncertain whether he or she pays enough tax to use Gift Aid, they should consult the guidance provided by HMRC at <http://www.hmrc.gov.uk/individuals/giving/gift-aid.htm>. This site also offers information on how donors who pay higher rate tax can claim extra relief on donations and how donors who make Gift Aid donations and claim age-related allowances or tax credits can sometimes increase their entitlement.

AM claims Gift Aid on all qualifying donations to the LMs, AM and BYM. HMRC does not allow Gift Aid to be claimed on donations made by CAF or Give As You Earn. AM does not claim Gift Aid on the LMs' special collections for other Quaker or non-Quaker charities. LMs can tell Friends that, if they want these charities to claim Gift Aid on their donations, they need to fill in general Gift Aid declarations in the names of the charities. LM treasurers need to pass the Gift Aid forms on to the charities with the donations. LMs are advised to maintain a local supply of general Gift Aid forms, (see [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/374448/single-donation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/374448/single-donation.pdf)).

### **3. Gift Aid Declaration Forms**

To enable Gift Aid to be claimed, a donor must complete a Gift Aid declaration.

The wording for Gift Aid declarations changed on 1 January 2013, but there is no need to replace Gift Aid declarations made prior to 1 January 2013, unless a Friend's personal circumstances have changed or the current declaration is more than four years old (please see section 3.4).

The revised wording does need to be used for new Gift Aid declarations made from 1 January 2013 onwards. Please see sections 3.1 and 3.2 for web links to the new forms.

#### **3.1 Gift Aid Declarations for Donations Made to Local Meeting, Area Meeting and Britain Yearly Meeting (BYM) through the Local Meeting**

Friends who provide an annual committed giving form for their LM, AM and BYM donations should complete the Gift Aid declaration form on the reverse side. These forms are available at <http://www.quaker.org.uk/sites/default/files/Local-Donation-form-2014.pdf>.

Friends who do not provide an annual committed giving form, should use a standalone declaration form, which is available at <http://www.quaker.org.uk/sites/default/files/Gift-Aid-form-2014.pdf>.

Please note that the name of 'Ipswich & Diss Area Meeting', not the LM or BYM, should be entered on all new declaration forms, because Gift Aid is claimed under the Charity Commission and HRMC numbers assigned to AM.

LM treasurers/collectors are asked to send all signed original Gift Aid declarations to the AM treasurer, who holds the declarations in a central file as part of the AM's financial audit trail for the Charity Commission and the independent examiner of the AM's annual accounts.

It is possible that HMRC will be making it mandatory that donations to BYM come directly from a registered charity. LM treasurers are therefore asked to transfer BYM donations to the AM Co-op Bank current account, so that the AM treasurer can forward the Gift Aid and all donations (including those that don't qualify for Gift Aid) to BYM on behalf of the LMs. The AM treasurer will ensure that BYM knows which donations come from each LM.

### **3.2 Gift Aid Declarations for Donations Made Directly to Britain Yearly Meeting**

If Friends make donations directly to BYM, they should be asked to sign the Gift Aid declaration form on the back of the annual BYM committed giving form, which is available at <http://www.quaker.org.uk/sites/default/files/BYM-Donation-form-2014-2.pdf>.

Please note that donors giving directly to BYM should be asked to use 'Britain Yearly Meeting' for the charity name, rather than any individual programme (e.g., EAPPI).

### **3.3 Gift Aid Declarations for Donations Made Jointly by People Living Together**

If contributions are made jointly by people living together, the donors have to declare how much is from each of them and, if both are eligible for Gift Aid, they both need to sign a Gift Aid declaration. This applies to contributions to LM, AM and BYM.

### **3.4 Updating Gift Aid Declarations**

Friends with existing Gift Aid declarations are asked to notify their LM treasurer/collector of any name and/or address changes so that new Gift Aid declarations can be signed.

Friends can cancel their declarations at any time and again should notify their LM treasurer/collector accordingly. Please note that Friends must cancel their declarations, if they no longer pay income tax and/or capital gains tax equal to the tax that is reclaimed annually for **all of their charitable giving**.

Since Friends may not remember to update their Gift Aid declarations, when their personal circumstances change, LMs are advised to ask a donor to sign a new Gift Aid declaration, if his or her current declaration is more than four years old.

All new Gift Aid declaration forms should be passed to the AM treasurer. LM treasurers/collectors should also notify the AM treasurer when a declaration has been cancelled.

The above applies to Gift Aid declarations for both LM, AM and BYM. Please see sections 3.1 and 3.2 for web links to the declaration forms.

## **4. Collection Box Donations under the Gift Aid Small Donations Scheme (GASDS)**

In April 2013, HMRC introduced the Gift Aid Small Donations Scheme. Under GASDS, AM and LMs claim top-up payments of up to £1,250 annually on cash donations of £20 or less (up to £5,000 in total) without the need to collect Gift Aid declarations or the donors' details on Gift Aid envelopes. The AM uses this scheme to cover cash donations received in collection boxes.

To enable GASDS claims to be made, LM treasurers/collectors are asked to ensure that:

- They keep receipts of donations given via LM collection boxes, noting how much money was collected (including each denomination of coins and notes), the date the money was collected and that no individual donation was greater than £20.
- Two people ideally check and count the cash collected.
- Receipt numbers are entered on the LM's quarterly receipts input schedule.

## **5. Gift Aid Claims**

In order to receive Gift Aid payments, a claim form must be submitted to HMRC. The AM treasurer submits one claim annually to cover AM, the Ipswich & Diss Area Meeting Property Charity and Bury St Edmunds, Diss, Felixstowe, Ipswich, Leiston and Woodbridge LMs. The claim is made under the Charity Commission and HRMC numbers assigned to AM.

Input for the Gift Aid claim is taken from the receipts input schedules that the LM treasurers provide quarterly to the AM treasurer. The LM treasurers use the schedules to record the following information for each donation:

- date received
- name of donor
- how much is for LM, AM and BYM, if applicable
- total value

The AM treasurer enters the above data into the Paxton Charity accounting software, which automatically produces a Gift Aid claim that is filed online with HMRC at the end of each financial year (1 January to 31 December).

Once AM has received the Gift Aid refund from HMRC, the AM treasurer transfers BYM's, the Property Charity's and each LM's allocation via BACS.

## **7. Further Information**

Additional Quaker-specific guidance on Gift Aid can be found at <http://www.quaker.org.uk/giftaid>. This site also gives useful information on committed giving.