



CVS Rochdale **Policy Briefing**

Gift Aid

What is Gift Aid?

Gift Aid is a simple way for your charity or Community Amateur Sports Club (CASC) to increase the value of gifts of money you receive from UK taxpayers

How does Gift Aid work?

When a UK taxpayer gives a gift of money to a charity, they have already paid tax on that money. Because charities are generally exempt from tax, they can claim an amount from HMRC equal to the tax paid on that money by the donor. This repayment from HM Revenue & Customs (HMRC) is known as Gift Aid.

Before you start - does your charity need to be registered?

Before you apply to be recognised for Gift Aid, you need to consider whether your charity should be registered with a charity regulator.

The charity regulator for England and Wales is the Charity Commission. If your charity is established in England or Wales and your annual income is more than £5,000, you must register with the Commission before you can apply for Gift Aid (unless you are an exempt body). You can contact CVS Rochdale for help with this.

Find out more on the [Charity Commission website \(Opens new window\)](http://www.charitycommission.gov.uk) - www.charitycommission.gov.uk

How much is Gift Aid worth to my charity?

By asking donors for permission to reclaim the tax that they have paid on their donation, you can increase the value of donations to your charity by one quarter.

The basic rate of tax has changed. Does this affect Gift Aid repayments to my charity?

Until 5 April 2008 the basic rate of Income Tax was 22%. This meant that for every £1 qualifying donation received, your charity could claim repayment of 28 pence.

From 6 April 2008 the basic rate of Income Tax is 20%. This means that for every £1 qualifying donation received, your charity can claim repayment of 25 pence.

HMRC will automatically pay charities an extra 3 pence for every £1 Gift Aid donation received between 6 April 2008 and 5 April 2011. This is called 'transitional relief' and was provided by Government so that charities had time to adjust to the 2% reduction in basic rate tax – for three years they continue to receive the same amount (28 pence) for each £1 donation as they did until 5 April 2008. There is no need to claim this extra 3 pence – your claim must be for 25 pence but you will automatically receive 28 pence.

Next Step

Once you have either registered with a charity regulator (or decided that you don't need to do so) you can apply to HMRC to be recognised for Gift Aid. To do that you need to complete the HMRC Charities Application Form (ChA1) for charities or the CASC Registration Form (CASC(A1)) and send it to HMRC. If your charity or CASC has already been accepted by HMRC for Gift Aid, you don't need to apply again. HMRC will check your application to see if you are entitled to claim Gift Aid, if no extra information is needed, they will write to you with your unique reference number so you can start claiming Gift Aid.

Please note that there is a different application procedure for CASCs.

[Download ChA1 Charities Application form](#)

[Download CASC A1 Community Amateur Sports Club \(CASC\) registration form](#)

Forms

Reclaiming tax - charities and CASCs

Use form R68 to claim tax repayments for your charity or CASC. This claim form will automatically help you to claim the correct amount as you fill in the boxes. The guidance for each form gives you step-by-step help to ensure you fill in the form correctly.

[How to complete Form R68\(i\)](#)

[Download form R68\(i\) – Gift Aid and tax Repayment claim for Charities and Community Amateur Sports Clubs](#)

Gift Aid declaration and sponsor forms

Use the Gift Aid declaration form to make a Gift Aid donation to a charity or CASC or use the form if you're a charity or CASC to give to your supporters.

[Download the Gift Aid declaration form](#)

Sponsorship and Gift Aid declaration - form

Use the Sponsorship and Gift Aid declaration form to make a Gift Aid donation to a charity or CASC from a sponsored event, or use the form if you're a charity or CASC to give to your supporters.

[Download the Sponsorship and Gift Aid declaration form](#)

Why are Gift Aid declarations important?

It's important that HMRC can verify the connection between your tax repayment claim and the tax paid by the donor. In other words, every claim must be supported by a Gift Aid declaration that shows who paid the tax in the first place.

Helpsheets – from HMRC

There are helpsheets below which explain the basics and answer some frequently asked questions about Gift Aid. They also link to the HMRC website for further information.

[Helpsheet 2: What is a Gift Aid declaration? \(PDF 172K\)](#)

[Helpsheet 3: What can I claim Gift Aid on? \(PDF 204K\)](#)

[Helpsheet 4: What is a benefit for Gift Aid purposes? \(PDF 279K\)](#)

[Helpsheet 5: Do I need to keep records of Gift Aid donations? \(PDF 364K\)](#)

[Helpsheet 6: Is my charity a trust or a company? \(PDF 289K\)](#)

[Helpsheet 7: Community Amateur Sports Clubs \(PDF 236K\)](#)

[Helpsheet 8: How do I run a sponsored event and claim Gift Aid? \(PDF 198K\)](#)

[Helpsheet 9: How do I claim Gift Aid and how often can I claim? \(PDF 156K\)](#)

[Helpsheet 10: How should I list donations on the schedule? \(PDF 197K\)](#)

[Helpsheet 11: What are the time limits for claiming Gift Aid? \(PDF 168K\)](#)

[Helpsheet 12: What happens if my charity is selected for a Gift Aid audit? \(PDF 200K\)](#)

(HMRC website May 2011)