



Gift Aid (NI) Newsletter

Online Claiming

From 1 October 2013, all charities were required by HM Revenue & Customs to commence use of the new 'Charities Online' service to reclaim Gift Aid in place of the paper R68(i) forms. The online claim not only includes names and reference numbers of donors but also corresponding addresses and postcodes. So, in order to make the move from paper claiming to online claiming a seamless one, a great deal of preparation was required in advance to ensure our records were up to date.

In early 2013, the RCB issued to all Gift Aid secretaries lists of people in their parishes who had signed ongoing Gift Aid declarations. The secretaries checked all the names, addresses and postcodes and returned any updates/amendments to Church House by the end of May in order to give the RCB time to update our records (all 16,000 of them!) In some cases, this was a straightforward task for parishes and they welcomed the opportunity to do a bit of 'housekeeping'. In other cases, a tremendous amount of work needed to be done, especially for those parishes in County Fermanagh where almost everyone had been provided with a new address and postcode in the last year or so!

A big thank you to all the Gift Aid secretaries, treasurers and other members of parishes who assisted us with this task.

Gift Aid Small Donations Scheme (GASDS)

The Gift Aid Small Donations Scheme (GASDS) is underway and many parishes have sent in their claim for 2013/2014 already! Parishes should now be counting loose change in respect of the tax year beginning 6 April 2014. See over the page for further information on how the scheme works.



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Time limits

- Gift Aid claims must be made no later than four years after the end of the accounting period to which the claim relates. So, for donations made during the accounting period ended 31 December 2010, the final date on which a Gift Aid repayment claim can be made to HMRC is 31 December 2014.
- GASDS claims must be made within 2 years of the end of the tax year in which you received the small cash donations.



How Gift Aid works

The Gift Aid scheme is for gifts of money by individuals who pay UK income tax. Gift Aid donations are regarded as having basic rate tax deducted by the donor. Charities/parishes take your donation - which is money you've already paid tax on - and reclaim the basic rate tax from HM Revenue & Customs (HMRC) on its 'gross' equivalent - the amount before basic rate tax was deducted.

Tax can be reclaimed on donations of any size, as long as the amount reclaimed does not exceed the amount of tax paid by the donor during the tax year.

The current basic rate tax is 20%, so this means that if you give £10 using Gift Aid, it's worth £12.50 to the parish!

For many years, the RCB has offered a service to parishes across Northern Ireland to assist in the preparation and submission of Gift Aid claims to HMRC.

We can continue to do this for a parish even if it is separately registered as a charity.

“The current basic tax rate is 20%, so this means that if you give £10 using Gift Aid, it’s worth £12.50 to the parish!”

How to claim GASDS

The RCB will make the claim on your behalf.

Please contact:

Gift Aid Administration
Church of Ireland House
Church Avenue
Rathmines
Dublin 6

finance@rcbdub.org
+353 1 4125 618

Further information on GASDS is available at:

www.hmrc.gov.uk/charities/gasds.index.htm

Introduction to GASDS

GASDS allows parishes to claim a Gift Aid style top-up payment of up to £1,250 on small cash donations they receive each year without needing a Gift Aid declaration from the donor. Small donations received on, or after, 6 April 2013 can qualify under this scheme.

Is my church eligible to claim GASDS?

HMRC requires churches to claim on small donations through the 'community building' element of GASDS. Such buildings include churches, village halls, town halls and schools. If you have two churches in your parish, each church is treated as a separate community building as long as they meet the criteria below.

All Church of Ireland churches are eligible under the 'community building' criteria as long as:

- ◆ they are accessible to the public at some or all times;
- ◆ they are used for charitable activities, e.g. worship;
- ◆ they are used at least six times a year;
- ◆ at least ten people are in attendance on each occasion small donations are collected.

How much can each church claim?

Each church can claim on up to £5,000 of small cash donations and receive a top-up payment of up to £1,250.

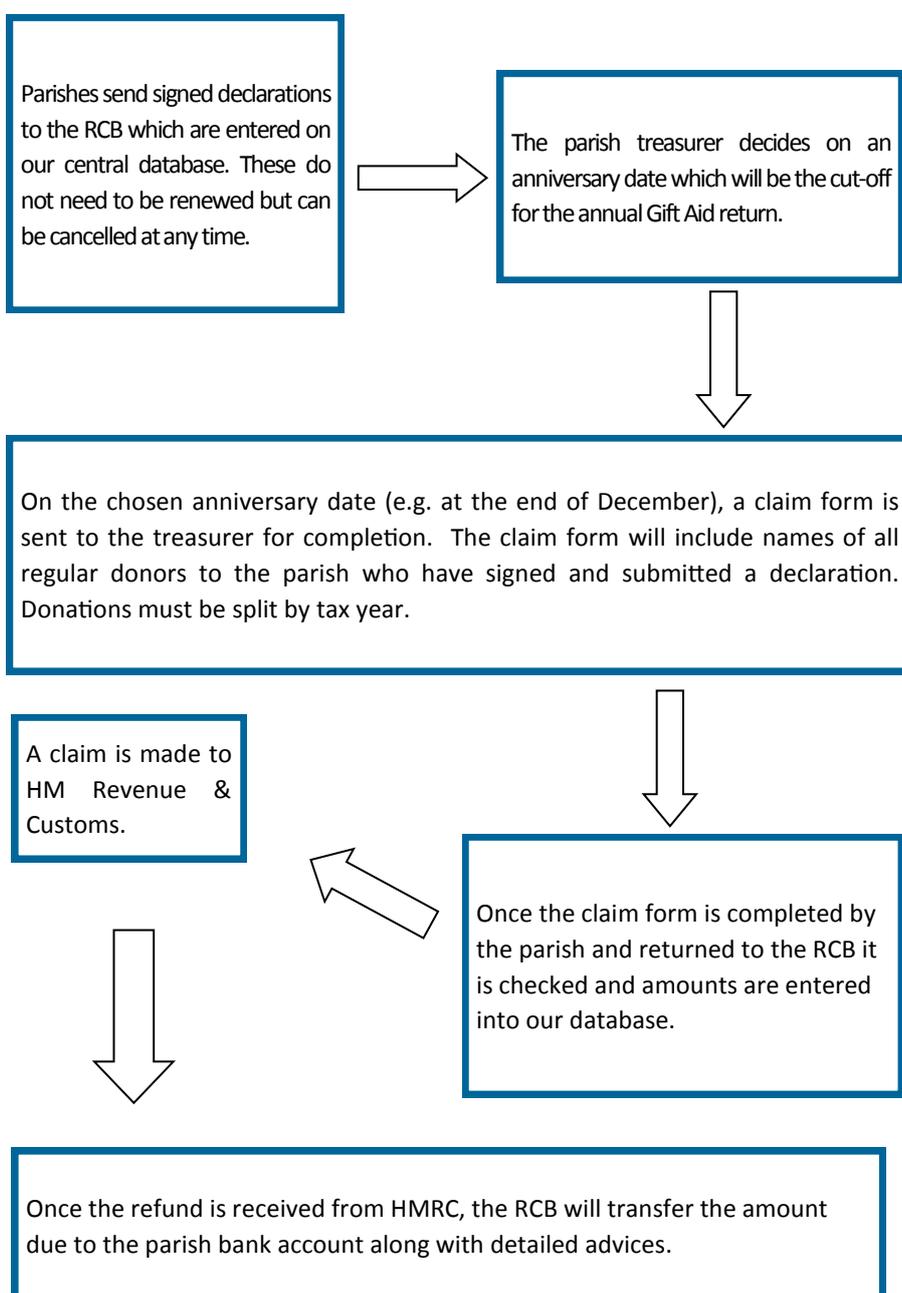
Keeping records

You **must** keep records as HMRC can and may ask to see them. You should follow the best practice guidance for cash-handling (see tips on page 3). You must also be able to show that you have recorded cash that was collected in the UK and banked in a UK bank account and that the individual donations were all £20 or less. You don't have to keep records of each donor.

RCB Gift Aid Procedure

The RCB provides a service to parishes in Northern Ireland whereby Gift Aid tax reclaims are processed centrally, records maintained and applications made to HMRC by the RCB.

The Gift Aid system allows parishioners to donate whatever they may wish. Many parishes regard it as good practice to ask parishioners to commit to an amount as this is a way of predicting the parish's revenue for the coming year. As this is entirely up to the individual parish, we supply forms to suit either preference.



Tips when handling cash

Cash should be collected, counted and recorded by two unrelated individuals, wherever possible.

Cash should be counted in a secure environment (vestry, parish office) as soon as possible after the service.

It should be held in a secure place (preferably a safe) until it is possible to bank it.

When it is counted, a record should be made of the amount received. This may be split out into different denominations of coins and notes to make it easier to complete your bank's paying in slip.

You must ensure that your record separates out £50 notes, cheques and donations that you know to be in excess of £20 from donations eligible for GASDS.

Where you are claiming GASDS on donations received, you should evidence that there were more than ten persons present when the cash was collected.

Cash should be banked as soon as possible.

Cash should never be left unattended.

Some FAQs

If a parishioner gives more than they have signed for, can the excess be claimed?

Yes! The amount entered on the cash proof should be the **actual** amount given during the year. This may include separate donations, such as, a Harvest donation or a Gift Day donation together with their Free Will Offering.

Can a declaration be withdrawn at any time?

Yes. Should a parishioner wish to withdraw their declaration, the treasurer should notify the RCB with the date of when the declaration should cease. No further donations should be claimed for this individual from that date.

What if a parishioner is a higher rate tax payer?

The RCB (charity) can only reclaim tax at the basic rate. Higher rate tax payers can obtain tax relief of the difference between the higher rate and the basic rate of tax in their self-assessment return.

If a person has over claimed, what should I do?

Don't panic! However, it is important to refund the Revenue the excess amount of tax claimed. Please contact the RCB with the information and they will inform you of the amount needed to be refunded. The RCB will in turn refund the Revenue on the parish's behalf.

Advantages of making claims through the RCB

The RCB deals directly with HMRC, so you don't have to!

The RCB keeps permanent records of the individual and parish.

The RCB provides reminders to parishes regarding claims and can assist if you haven't made a claim for some time.

Parish records are maintained securely by RCB.

The relationship between the RCB and HMRC has been developed over many years.

There is a reassurance to the parish that proper and complete records are maintained.

The RCB provides consistency over the years. This protects against personnel change in parishes which can lead to a break in consistency in parish recording.

Administration Charges

The RCB reduced the administration charge to parishes to help with the loss of transitional relief at the beginning of 2013. The charges are based on the gross amount of the claim.

£1 - £15,000 = 2%

£15,000 plus = 0.75%

While there will always be costs involved in the administration and maintenance of Gift Aid records, the RCB is committed to keeping charges as low as possible for parishes.

When your church doesn't have a postcode...

To make a claim for collections made in community buildings you **MUST** provide the address and postcode of the church. If you don't have the postcode you can use the Royal Mail postcode finder to get it.

www.royalmail.com/postcode-finder

Some churches are not shown on this postcode finder – usually because the church does not have a letterbox and/or the rector doesn't want mail sent to directly to the church.

HMRC advises that in this case, look up the postcode of the building next door, or the closest building on the same street and use that postcode!

Contact us

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Church of Ireland House
Church Avenue
Rathmines
Dublin 6



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+353 1 4125 618