

Gift Aid: Top Ten Tips

1. Are you a charity or Community Amateur Sports Club (CASC) that receives donation payments from individuals? You can operate Gift Aid.
2. Apply to HMRC using form ChA1 or CASC (A1) in order to operate Gift Aid – see *Getting started*
3. Decide on the Gift Aid declaration wording for donation payments – see *Compliance*
 - a. Use HMRC's templates and then adapt by adding your logo
 - b. HMRC also has a template for sponsored events
4. Staff training: ensure that any workers or volunteers who are accepting donations under Gift Aid fully understand the rules:
 - a. Donors must be UK taxpayers and have paid sufficient income tax or capital gains tax for it to be Gift Aided. How much tax? Divide the donation by 4, so for example, if a donor donates, £100 they must have paid £25 in tax
 - b. All donors must complete and sign a Gift Aid declaration
 - c. There are special rules of sponsored events: sponsorship by relatives of the entrant may not always qualify for Gift Aid
5. Review all your activities: is there scope for operating Gift Aid in relation to income received other than by cash donation?

For example:

- i. Sale of donated goods
 - ii. Sponsored events
 - iii. Fundraising days
 - iv. Admissions
 - v. Memberships
6. Do you organise educational trips, charity auctions, collections or accept goods which are sold and the proceeds gifted to you? These and other activities fall into the 'special cases' categories – see *Special cases*
 7. Do donors receive any benefits from you when they make a gift? Check that these are within the limits set – see *Overview*
 8. If you are able to take donations by telephone ensure that you have prepared a script to be used with callers and trained those who take the calls, including any agency or temporary staff
 9. Record keeping
 - a. Decide who is going to complete the Gift Aid return
 - b. Ensure you create systems to retain and log all Gift Aid receipts
 - c. Checking: set up a system to ensure that Gift Aid claims are cross checked and signed off before submitting to HMRC

see *Compliance*

10. You may receive donations that do not qualify for Gift Aid, such as donations from companies or gifts of shares. Make sure these are properly identified – see *Overview*