



# Funding Guides



## FUNDING GUIDE 19 : Gift Aid

Gift Aid was introduced by the Government to enable individuals and companies to make charitable donations tax-effectively. The Church of England benefits from this scheme by over £70 million each year across its parishes.

### Gift Aid on donations from individuals

If a donor is willing to complete a “Gift Aid Declaration” stating that they are a taxpayer, and have paid sufficient tax, the charity can reclaim the tax paid on that donation at the basic rate of income tax. From April 2008, this amounts to 25p for every £1 donated, thus increasing the donation by 25%. On top of this, Transitional Relief allows charities to reclaim £1.28 for every £1 donated until April 2011. If the donor is a higher rate tax-payer, the donor can claim the additional relief through their tax-return.

To reclaim Gift Aid, the charity will first need to register with HMRC (Her Majesty’s Revenue and Customs). (☞ see <http://www.parishresources.org.uk/giftaid.htm>)

### Gift Aid on donations from companies

Gift Aid on donations from companies works differently. The donation is given gross, so the charity doesn’t claim any further relief. However, the company is able to off-set the donation against tax due on their profits.

### Other Tax Efficient Giving

Whilst Gift Aid is the most common form of tax-efficient giving, gifts of shares and land can also be given tax-efficiently. See further information on the tax efficient website (below).

### Where to Get Further Help

Since regulations change from time to time, the links in this section will enable you to access the latest guidance, forms and templates :

1. There is a new tax effective giving site, developed by the Institute of Fundraising, [www.tax-effective-giving.org.uk](http://www.tax-effective-giving.org.uk) This site contains lots of useful downloads and guidance including sample sponsorship forms.
2. If you have a particularly detailed question, you should consult the HMRC guidance pages. HMRC also provide a Charities helpline on 0845 302 0203.  
☞ [www.hmrc.gov.uk/charities/guidance-notes/chapter3/index.htm](http://www.hmrc.gov.uk/charities/guidance-notes/chapter3/index.htm)

FG 19 : ver 2 : Nov 2008

These Funding Guides have been developed by a “Good Practice” group of the National Stewardship Committee of the Church of England and are intended to support your church’s fundraising. They are available on-line at [www.parishresources.org.uk/funding](http://www.parishresources.org.uk/funding) or at [www.churchcare.co.uk/funding.php](http://www.churchcare.co.uk/funding.php)