



GIFT AID IN PRACTICE 5: TEN TIPS TO HELP MAXIMISE YOUR PARISH GIFT AID INCOME

Acknowledgement: This note draws on material produced by the Diocese of Chichester and the Institute of Fundraising (<http://www.tax-effective-giving.org.uk/generator/assets/gift-aid-tips.pdf>)

Why not ask your Gift Aid officer / Treasurer to try a few of these tips to increase your parish's Gift Aid income? This is particularly relevant now that transitional relief has ended; it may help you to maintain and increase your total Gift Aid income even though Gift Aid adds 25p instead of 28p in every £1 from April 2011.

- 1. Promote Gift Aid whenever you request donations.*
- 2. Encourage higher rate taxpayers to maximise their Gift Aid*
- 3. Make sure everyone working for the church understands Gift Aid*
- 4. Give some easy examples about what the extra money will allow your church to do.*
- 5. Appoint a Gift Aid officer who will be able to answer all queries and focus specifically on increasing the church's use of Gift Aid.*
- 6. Contact donors who haven't given you a Gift Aid declaration, explain the benefits of Gift Aid and ask them to make a Declaration.*
- 7. Include Gift Aid reclaims in your fundraising targets and reports*
- 8. Put tax-effective giving on your PCC agenda each year*
- 9. Make sure you have reclaimed tax on all eligible donations received in the preceding 4 tax years. NB you MUST claim Gift Aid on all donations eligible for transitional relief (i.e. all donations made before 5th April 2011) by 31st December 2013.*
- 10. Aggregate all donations of £10 or less on form R68*

1. Promote Gift Aid whenever you request donations.

For example, make sure a stack of Gift Aid envelopes with a prominent message promoting Gift Aid are on display in your church, and emphasise the importance of Gift Aid on all fundraising leaflets, orders of service and notices. This is worth doing whether you are appealing for £50,000 to repair the tower or £50 for Easter Day flowers. Note that money reclaimed via Gift Aid on a restricted donation is restricted to the same purposes as the underlying

donation itself.

There will be occasions when the church is collecting money on behalf of another charity; at a wedding or funeral, for example. There may be attendees at these services who do not usually make charitable donations and are not familiar with the Gift Aid scheme. Make sure you promote Gift Aid on these occasions even if your church is not the beneficiary; getting the message into the public mindset is a constant drip-drip campaign and will benefit all charities.

Note that where the church is collecting money on behalf of another charity (eg in Christian Aid week or if there is a collection for, say, a local hospice at a funeral), the church itself should not reclaim Gift Aid on that money. Here, donors are giving to Christian Aid or the hospice, not to the church, and although the church should encourage donors to Gift Aid their donations, the Gift Aid Declarations (which must either refer generically to 'the charity' or refer specifically to Christian Aid or the hospice which will reclaim the Gift Aid itself. Of course you will need to use Gift Aid Declarations referring specifically to Christian Aid or generically to 'the charity;' you can't use your usual church Gift Aid envelopes.


2. Encourage higher rate taxpayers to maximise their Gift Aid

You'll know that the church receives £1.25p for every £1 donated with Gift Aid. Did you know that higher rate taxpayers (40%) can help the church receive £1.66 for every £1 donated? This is at no extra cost to the church or to the donor and is very easy to claim. It simply takes advantage of the current generous HMRC Gift Aid rules for higher rate taxpayers. [See our factsheet 2 for more on this.](#)

3. Make sure everyone working for the church understands Gift Aid

If a visitor asked someone who happened to be in your church (organist, flower-arranger, Church Watch volunteer) to explain Gift Aid, could he/she do it? If not, it may be worth printing a short summary on the Gift Aid scheme to have on display. You will find a suitable few sentences online; see <http://www.tax-effective-giving.org.uk/generator/assets/GA%20-%20Introduction%20-%20July%202009.pdf>, for example. Keep it simple!

4. Give some easy examples about what the extra money will allow your church to do.

	<p><i>If you give £20 and Gift Aid your donation, we will receive £25 for your £20 at no extra cost to you or us! This extra £5 helps us pay for the heating and lighting to keep this church open to visitors like you all year round.</i></p>
---	---

For example, you could display a notice by your collection box in church saying something like:

<p>If you donate £1,000, we can buy 50 tiles for...</p> 	<p>... our church roof repair appeal</p> 	<p>If you Gift Aid your donation...</p> 	<p>... we can buy 12 more tiles at no extra cost to you or us!</p> 
---	--	--	--

On literature for bigger appeals, you might even show it pictorially, eg:

5. Appoint a Gift Aid officer who will be able to answer all queries and focus specifically on increasing the church's use of Gift Aid.

It's a good idea to have a Gift Aid officer who is not the parish treasurer, to give him/her more time to devote to the role. Make sure everyone knows the Gift Aid officer's name and contact details so that they know where to go with any queries. You can find a sample job description for a Gift Aid officer here: <http://www.parishresources.org.uk/giftaid/GAO.htm>.

6. Contact donors who haven't given you a Gift Aid declaration, explain the benefits of Gift Aid and ask them to make a Declaration.

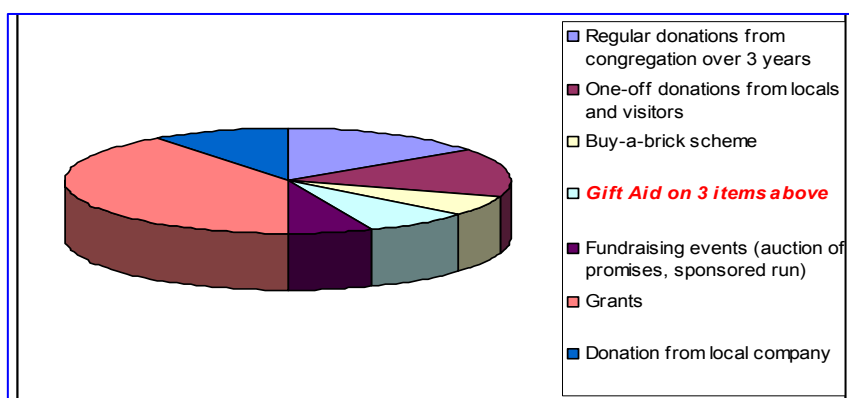
This is especially effective for regular donors who give via the collection plate each week. They should be on your electoral roll so you will easily be able to identify those who have not made GA Declarations. Don't wait until your next giving campaign is due; write them a special letter explaining how Gift Aid works and invite them to phone you in confidence if they have any queries.

Remember that donors must pay an amount of income or capital gains tax equal to or greater than the amount the church will reclaim on their donation, so a pensioner or unemployed person may not be eligible for Gift Aid.

NB: Be sensitive; non-taxpayer members of the Church may be proportionately more generous than higher-rate tax payers! Be aware also that some people do not like discussing their income, and you will need to be particularly tactful where, for example, a donor may have become recently unemployed.

7. Include Gift Aid reclaims in your fundraising targets and reports

For example, if you produce a pie chart showing how you hope to raise funds for your new church hall, include Gift Aid as a segment in its own right:



8. Put tax-effective giving on your PCC agenda each year

Make sure the PCC discusses tax-effective giving at least once a year, including ways in which Gift Aid can be increased.

Include Gift Aid as a separate line in the PCC accounts received at the APCM.

Draw attention to the amount received in Gift Aid whenever you can.

9. Make sure you have reclaimed tax on all eligible donations received in the preceding 4 tax years.

HMRC allows you to reclaim tax on eligible donations made up to four tax years ago. For example, you can reclaim Gift Aid on donations made in the tax year ending 5th April 2010 any time up until 31st December 2014 – BUT don't forget that the reclaiming period has been reduced from 4 years to 2 years for donations eligible for transitional relief. This means in practice that you should reclaim Gift Aid on all donations made before 5th April 2011 by 31st December 2013. You should try to get into the habit of reclaiming Gift Aid regularly anyway so that it is part of your regular donor income flow rather than an occasional windfall.

Donors can backdate their Gift Aid Declarations to this end, so make sure your Declaration forms include words such as: 'I would like to Gift Aid this donation, all donations I have made in this tax year and in the previous four tax years, and all future donations I make until further notice.' This could be particularly lucrative for a regular donor who has been giving to your church each month for a few years but without Gift Aiding the donations. A person who earns £20,000 p.a. and has been giving 5% of their gross income to the church every month since 1st May 2006 could earn you £1,120 in Gift Aid income for the 4 years from May 2006 to April 2010, as long as you submit the claim by 5th April 2011.

10. Aggregate all donations of £10 or less on form R68

R68 is the form the church uses to claim tax back from HMRC on Gift Aided donations. A recent change to the R68 form's rules will make it much easier for churches to claim Gift Aid on collections after a one-off service, concert etc, or on small regular donations.

Whereas previously every single donation had to be entered on Form R68 line by line, you are now able to aggregate all donations received at the same event or of the same type as long as no single donation exceeds £10 and the total aggregate is not more than £500. Imagine the local school holds a service in the church and 20 teachers each give £5. Rather than having to enter each £5 separately on the form, taking up 20 lines and a good deal of your time and patience, you can now simply enter 'Donations from teachers at school service, 25/9/09, £100.' Of course, each teacher must still make a valid Gift Aid Declaration relating to his/her donation. In this example, you would also need to be careful not to add into the aggregate any donations that were not Gift Aid-able (eg from the school children who are not taxpayers).

This streamlining of the claims process via R68 applies to regular donations as well as one-offs, subject to the same £10 and £500 limits. Say, for example, that 20 members of the local community each give £2 per month to the church towards its Homelessness Project. You can now simply enter on form R68: 'Regular donations towards the St Benedict's Homeless Project during 2009, £480.' This is clearly much easier than having to record 240 separate donations!

Of course, even though you can aggregate the donations on the R68 form, you must make sure that all the paperwork is in place providing a sufficient audit trail, ie that each donor has signed a Gift Aid Declaration and the Declaration covers all of their donations to the church for the period.

Note that this relaxation on the R68 form does not apply to Sponsored events, where each sponsor's details and donation must still be recorded separately. You can download a template sponsor form here: <http://www.tax-effective-giving.org.uk/pages/downloads.php#giftaid>, or HMRC's versions here: http://www.hmrc.gov.uk/charities/appendix_b2.pdf

Finally, a top tip for the future: as you may have seen in the 2011 Budget announcement, from 2013 churches and charities will be able to claim Gift Aid on donations under £10 even where there is no Gift Aid Declaration, subject to an upper limit of £5,000 each year. We will publish more guidance on this nearer the time.

For more details, see section 3.44 of <http://www.hmrc.gov.uk/charities/guidance-notes/chapter3/sectionf.htm> and 'Adding Together Small Donations' at http://www.hmrc.gov.uk/charities/gift_aid/reclaim-form.htm

Disclaimer: This and all Gift Aid Guides in the series are intended as guidance only. You should consult your diocese, HMRC or other professional adviser if you are in doubt as to the Gift Aid regulations. This note was produced in January 2011 and is available to download from the Parish Resources website at <http://www.pariahresources.org.uk/giftaid.htm>