



## GUIDE 12c: Church Plants and the Small Donations Scheme

(v3: updated Mar 2017)

### Overview

This guide aims to help Church of England churches determine whether they are able to use the Gift Aid Small Donations Scheme (GASDS) for Church Plants or other services in buildings other than a church building. It should be read in connection with the full guidance which is available at: [www.parishresources.org.uk/giftaid/smalldonations/](http://www.parishresources.org.uk/giftaid/smalldonations/)

Most church plants fall under their PCC. These plants should see section A below. Some are separate charitable organisations with their own HMRC charity number. You should see B. below.

### Section A. Church Plants/Services governed by a PCC

If your church plant meets in the Church building, then you will simply include your donations along with others received in the building as part of the PCC's overall claim on up to £8,000 of eligible donations (from April 2016, £5,000 in prior tax years).

If you meet in a different building, you will need to determine whether it qualifies as a 'Community Building'. If so, your PCC will be able to claim a separate allowance of up to £8,000 of eligible donations received by the Church Plant.

#### **A1 Does my church plant meet in a community building?**

The rules define a 'community building' as a building or a part of it, to which the public have access at some or all times. In this context, this relates to it being open for the public to attend services. Services in **village or town halls, churches, cathedrals and schools** would qualify.

A building or part of a building is specifically excluded from being a community building for GASDS purposes if the building or parts of it are used wholly or mainly for residential purposes or the sale or supply of goods. Services in residential homes or in shops would **NOT** qualify.

Parts of buildings used wholly or mainly for other commercial purposes are excluded from the meaning of a community building, except at times when a charity is using that part of a building to carry out a charitable activity and the charity has exclusive use of that part of the building at that time. **Services in a hotel, pub or café would qualify if the church has hired a separate room for the service, or if the whole facility is being used exclusively as a church at that time.** For example, a church hires the local pub on a Sunday morning to hold services before opening hours. This qualifies, as at that time the pub is not open and the church has exclusive use.

#### **A2 Which donations are eligible?**

The main guidance defines which donations are eligible, but in short, they need to be cash or contactless donations of £20 or less. The main sources of eligible donations for churches will be those received in open plate collections and in regular giving envelopes on which no Gift Aid declaration has been received.

**A3: What records do I keep, and how do I claim?**

Please see: [www.parishresources.org.uk/giftaid/small donations/](http://www.parishresources.org.uk/giftaid/small donations/) for our generic guidance. If you qualify as a Community Building, you should see Guide 12B.

## Section B. Church Plants which are separate charities

From April 2017, you will qualify for the scheme providing you have not incurred a penalty relating to a Gift Aid or GASDS claim in the current or previous tax year.

**B1: Do I need to worry about the Community building rules?**

If you are a separate charity and not part of a PCC, then you can claim on up to £8,000 of eligible donations without needing to worry about community buildings, unless you are 'connected' with any other charities which are claiming under the small donations scheme.

To be connected with another charity, you would need to have at least half of the trustees of one charity being also trustees of a second charity with similar purposes and activities. If you are connected with other charities, you will share a single £8,000 limit if you use the same building as the other charities, or can use the Community Buildings scheme if your meeting place qualifies as a community building (See section A1 on the previous page).

**B2: Which donations are eligible?**

The main guidance defines which donations are eligible, but in short, they need to be cash or contactless donations of £20 or less. The main sources of eligible donations for churches will be cash donations received in open plate collections and in regular giving envelopes on which no Gift Aid declaration has been received.

**B3: How much can I claim?**

You can claim on up to £8,000 of eligible small donations in a tax year, providing that you meet the 'Gift Aid Matching Rule.' This means that you can only claim on up to 10 times the amount of Gift Aided donations you are claiming in a tax year – although most church plants will receive £800 of Gift Aided donations, and so can claim on the full £8,000.

**B4: What records do I keep, and how do I claim?**

Please see: [www.parishresources.org.uk/giftaid/small donations/](http://www.parishresources.org.uk/giftaid/small donations/) for our generic guidance.

### More details and FAQs

See [www.parishresources.org.uk/giftaid/small donations/](http://www.parishresources.org.uk/giftaid/small donations/) for more help and advice about the scheme.