



GUIDE 4: Record Keeping

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Overview

This guide explains what Gift Aid records your church should keep and for how long. As well as general advice, there is guidance specifically for standing order and envelope giving. Through Gift Aid, HMRC pays over a billion pounds of Gift Aid to churches and charities each year. It needs to be able to check that claims are not fraudulent, and so charities must keep records to prove that their claims are valid. The main thing your records must prove is that every donation on which you have claimed Gift Aid can be traced back to an identifiable donor who has signed a valid Gift Aid declaration.

If HMRC audits your church's Gift Aid records and the records do not satisfactorily demonstrate that all the Gift Aid you have claimed is valid, your church may have to pay it back to HMRC, with interest and possibly with a penalty fine too.

What records should we keep?

1. Gift Aid Declarations. The Declarations themselves must have been valid at the time they were written; see GAB4 to check that your Declarations comply with the requirements. If you have new information as to the address/postcode of the donor, you can write this onto the existing declaration – it isn't a requirement to source a new declaration from the donor, although this may be a good idea, particularly if it uses out of date wording.

Signed declarations should be kept in a form that preserves the signature – for example, by electronically scanning them—or simply by keeping the original in a file. Note that it is NOT sufficient to keep only a list of people who have signed a Declaration; you need to be able to show the actual Declaration (or a scanned copy of it) in each donor's name.

How long do we need to keep them? Enduring declarations need to be retained for six full calendar years after the donor's last Gift Aided donation to the parish. Declarations covering one-off donations need to be retained for six full calendar years after the date of the donation or the date the Gift Aid was reclaimed, whichever is the later.

2. Evidence of Donations:
 - a) **Standing Orders.** You will need to keep some form of log which shows the donation, it's timing and the donor, together with the relevant bank statements which prove the donation was received.

- b) **Planned Giving Envelopes.** When you receive envelopes containing Gift Aided donations, the amount each envelope contained should be written on it (see Guide 4). As a minimum, you should keep all envelopes relating to claims you have not yet made, all envelopes from the last 12 months and a 1-month sample of envelopes from each of the preceding 6 years.
 - c) **One off donations.** As well as recording these on your donations log, you should retain bank paying in books and one-off Gift Aid envelopes for six full calendar years after the date of the donation, or the date the Gift Aid was claimed, whichever is the later.
3. Correspondence. You should keep any correspondence to or from the donor which relates to his or her Gift Aid donations, including any notification of a change of name or change of address and notification of the cancellation of the Gift Aid Declaration

A System for Donor Records

If you have a large number of donors, you will almost certainly want to run some form of system to track donations and claims. Whilst you could use a spreadsheet, there are commercial systems available from Data Developments (Donations Coordinator) www.datadevelopments.co.uk or from Fund Filer (www.fundfiler.com).

Disclaimer: The Parish Resources Gift Aid Guides in the series are intended as guidance only. You should consult HMRC or other professional adviser if you are in doubt as to the Gift Aid regulations. This Fact Sheet was produced in August 2015 and is available to download from the Parish Resources website at <http://www.pariahresources.org.uk/giftaid.htm>