

Changes to Gift Aid

From April 2013 a number of changes are taking place in relation to Gift Aid.

Charities Online will replace the existing Gift Aid claim forms. From 1 April 2013 there will be three options to claim gift aid payments, either online using the new HMRC form (up to 1,000 gift aid donors per form submitted), using external software for charities with very large numbers of gift aid donors, or using a new paper repayment claim form ChR1 for charities with no access to the internet.

www.hmrc.gov.uk/charities/online/index.htm

Charity shop Gift Aid rules

Changes from April 2013 will mean donors will be able to make a single gift aid declaration covering sale proceeds from donated goods up to £100 if the charity operates the shop directly, or £1,000 if the goods are sold by a trading subsidiary. Donors will only need to be contacted by the charity again if income from sale of the individuals donated goods exceeds these amounts.

Gift Aid Small Donations Scheme

The Gift Aid Small Donations Scheme will start on 6 April 2013. A charity will be able to claim a top-up payment on up to £5,000 of small cash donations (each of maximum £20) without needing to obtain and keep Gift Aid declarations by individual donors. Strictly speaking this is not Gift Aid although it will be calculated in the same way. Higher rate taxpayers will not be able to claim tax relief. Where two or more charities are connected the specified amount, currently £5,000, will be divided by the number of connected charities making top-up claims in that tax year. If a charity runs charitable activities in one or more community buildings there is an additional allowance for each separate community building. There are further rules where two or more charities are connected and at least one of them runs charitable activities in one or more community buildings.

For further information, please contact:

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