

Leaflet G02: New form of Gift Aid declaration October 2015

HMRC has issued a new form of Gift Aid Declaration, the main purpose of which is to emphasise the need for donors to be fully aware of the requirement to have paid sufficient tax to cover all gift aided donations made to all charities and CASCs in a particular tax year. The new wording makes clear that there is a responsibility on donors to pay any difference to HMRC and it will no longer be sufficient for the donor simply to state that he/she is a UK taxpayer.

The new form of declaration is mandatory from 6 April 2016 in respect of all new donations, but HMRC has agreed, exceptionally, that churches may continue to use existing stocks of envelopes which incorporate a declaration provided they were ordered by 21 October 2015. Any other form of declaration in respect of new donations made from 6 April 2016 must however contain the revised wording. Whilst declarations made by existing donors do not have to be updated it is recommended, in the interests of good housekeeping and with a view to emphasising the tax implications, that existing declarations should also be renewed.

A model declaration is shown below but there is no 'set' design and, provided a declaration includes the required details (as follows), a charity may create its own form, including branding and any other messages.

The required details are:

- the name of the charity;
- the donor's name;
- the donor's home address;
- whether the declaration covers past, present or future donations or just a single donation;
- a statement that the donor wants Gift Aid to apply (this could be a tick box on a written or online declaration);
- an explanation that the donor needs to pay the same amount (or more) of UK income tax and/or Capital Gains Tax that all charities and CASCs will claim on the donor's gifts in the tax year; and that the donor is responsible for paying any difference.

A statement that 'I am a UK taxpayer' is not sufficient to meet the charity's requirement to advise a donor of the tax implications of making a Gift Aid donation. A full explanation is essential to protect the individual donor and the charity. If the donor has not paid enough tax to cover the tax deducted from all of his or her Gift Aid donation(s), HMRC may ask the donor to pay the difference in tax and donors must be made aware of this. If the explanation is insufficient the Gift Aid declaration will not be valid and the charity may need to repay tax to HMRC.

.....

Charity Gift Aid Declaration

Boost your donation by 25p of Gift Aid for every £1 you donate

Gift Aid is reclaimed by the charity from the tax you pay for the current year.

Your address is needed to identify you as a current UK taxpayer

In order to Gift Aid your donation you must tick the box below:

- I want to Gift Aid my donation of £_____ to _____ (name of church/charity)
*and any donations I make in the future or have made in the past 4 years.
[*delete this wording if inapplicable]

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

My details:

Title _____ First name or initials _____ Surname _____

Full Home address _____

Postcode _____

Date _____

Note: Please notify the charity if you want to cancel this declaration, change your name or home address or no longer pay sufficient tax on your income and/or capital gains to cover the amount of tax that all charities and community amateur sports clubs will reclaim on your gifts in the tax year. If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your self-assessment tax return or ask HMRC to adjust your tax code.

Finance Team, Baptist Union of Great Britain, Baptist House, PO Box 44, 129 Broadway, Didcot OX11 8RT

Tel: 01235 517700 Fax: 01235 517715 Email: financeoffice@baptist.org.uk Website: www.baptist.org.uk

Registered Charity Number: 1125912

Updated 17 November 2015