



## Gift Aid Information

### Introduction

Gift Aid is a government scheme to encourage giving to charities like us. It means that Scouting subscriptions are eligible for tax relief.

To be eligible your charity must first be registered with Charity Commission Northern Ireland.

### How can my Scout Group benefit?

You can claim money back from HMRC on the subs paid by each scout in your scout group. This means that for every £1 sub received you can claim repayment of 25 pence (this is because a donor who is a basic-rate taxpayer will pay 25 pence tax when they earn £1.25). So if a scout pays total subs of £45 in a year, you can claim back £11.25 from HMRC - if you have 20 scouts in your unit, you could increase your unit funds by £225 a year. The money can only be claimed on total subs, which includes the census charge if paid separately.

There are quite strict rules about what can be included in our claim. Money from parents to cover the general running of a Group can be included. You may not include items of direct benefit. This would include, for example, camp fees, outings and Group visits.

### Claiming money back

Setting up the scheme does involve some work, but much of this is a one-off exercise. This document explains everything you need to do. We also plan to have regular calls to check your progress and try to make the process as easy as possible.

Essentially there are six steps to claiming Gift Aid.

<b>Step 1</b>	Find someone to help you with the administration, such as a parent, if you feel that you do not have enough time to set up the scheme.
<b>Step 2</b>	Follow the instructions on how to register your unit with the Inland Revenue so that you can claim Gift Aid. This process can take up to 6 weeks to complete.
<b>Step 3</b>	Set up a Gift Aid record file with three sections (more details are given on page 3).

<b>Step 4</b>	Check your unit's account books to ensure they record all the information you need. If not, add an extra column for subscriptions that have been 'gift aided'.
<b>Step 5</b>	Get the Gift Aid declarations signed by parents/carers and file them very safely for at least six years - they are worth money to you.
<b>Step 6</b>	Once a year, or more often if you wish, fill in the Inland Revenue Claim forms to obtain your tax repayment. Keep your records filed safely in your Gift Aid record file.

## Record Keeping & Retention

Your Scout Group must keep adequate records to be able to show a clear link between an individual's donation and the Gift Aid declaration made by the individual. This is referred to as an audit trail and enables HMRC to trace a donation back to the donor to ensure that they've paid sufficient tax to cover the tax that is reclaimed by the charity.

All Gift Aid information needs to be kept securely. The Gift Aid declaration forms, once completed, are very valuable, so make sure they are safely filed away for six years and can be easily retrieved (as described on page 3).

The following documentation should be retained:

- Correspondence with HMRC, including claims made
- A record of subscriptions received to support the Gift Aid claims made (see below under 'Group records')
- Gift Aid declarations and any requests to cancel

Records must be retained so they can be retrieved easily should HMRC decide to audit your group's records. A charity must keep tax records (including Gift Aid declarations and records) until 6 years after the end of the period they relate to.

If HMRC asks the charity questions about its tax return or repayment claim, the charity will need to keep the records until the enquiries are finished.

### Group records

On the Gift Aid declaration there are spaces to record the details of the donor (normally the parent/guardian).

There should be very little additional bookkeeping required to conform to the Gift Aid Scheme. It should be sufficient to use a spare column on a 'receipts (in)' form to record those subscriptions for which Gift Aid declarations have been received. A copy of the unit accounts for the year should be kept in the relevant section of the Gift Aid file.

Alternatively, for subscriptions that are paid on a termly basis, you may want to use a Group register sheet. A sample one used by one of our scout groups with both weekly and monthly options can be downloaded from the Scout Foundation NI website Funding page for members <https://www.scoutfoundation.info/resources> (password si2020)

To make a claim you need a spreadsheet of your donations like the one referenced above.

## Completion of Gift Aid Declarations

It is likely that most parents and carers will have heard of the Gift Aid scheme.

A Gift Aid declaration is not a legal document and does not ask parents to commit to paying the membership subscription for a four year period. This should make Gift Aid

considerably easier to 'sell' to parents/carers. The fact that it can also be done by e-mail will also help.

The most important point is to convince parents of the financial saving they can make through Gift Aid. If the Group can get money from other sources, there will be less need to increase subscriptions, and the parent will be saving money by providing additional revenue at no cost to them through Gift Aid.

Gift Aid declarations can include those received by email and therefore do not need to be physically signed, although they do have to contain certain information. It is therefore recommended that you use the declaration form provided, which will include all the required information.

**Not all parents have to complete a declaration for you to use Gift Aid; some parents may not be entitled to.** It goes without saying that the more parents that do, the greater the return. However, you must be sensitive when approaching parents as some may be unemployed or retired, and some may not pay sufficient tax. Indeed, if only one partner pays tax, then they should complete the declaration, not the non-taxpayer. In addition, if someone is self-employed or works only part-time, they can still complete the declaration as long as they have sufficient taxed income.

## Gift Aid Declaration Form Template

You can download from the Scout Foundation NI website Funding page for members <https://www.scoutfoundation.info/resources> (password si2020)

## Parents of new members

When starting a section, it is recommended that the Gift Aid form is included with the registration documentation. By completing this form, new parents give the necessary permission for Gift Aid. Once a Gift Aid declaration has been completed, it is valid until the donor notifies you otherwise.

## Parents of current youth members

The biggest challenge is to get existing parents to sign a Gift Aid declaration form. Claims can be backdated four years. So as well as asking parents of new scouts in the unit to fill in a Gift Aid declaration, you can also ask the parents of existing members to fill in a declaration and backdate it to their son/daughter's start date or by four years if they joined the unit over four years ago.

You may wish to email parents enclosing details of the scheme, along with the declaration form to be completed and a question and answer sheet with the most frequently raised concerns.

Please remember that this is a one-off exercise and although it may seem time-consuming, when this process is up and running the money coming into your local unit could rise by up to 25 per cent.

## Explanatory Letter for Parents/Carers

The secret of making the most of the Gift Aid Scheme for your Group is to get as many parents/carers as possible to complete Gift Aid declarations, allowing you to claim tax back on the subscriptions paid in the previous four years.

The best thing would be to give the Gift Aid form to parents at the same time as you request payment for subscriptions. Make it as easy as possible for them to return the form. There's no requirement for a declaration to contain a signature.

You might find it useful to hold a parents' meeting so that questions can be asked. Please refer any difficult questions you receive that you are unsure of to Scout Foundation NI.

Or you could alternatively send an explanatory email to parents/carers.

A sample email/ letter might look like this.

Dear Parent/Guardian,

**Gift Aid**

We have a chance to increase the amount of money going into our Scout Group by as much as 25 per cent but we need your help - all you need to do is sign one simple form that is attached to this letter.

As a result of government legislation on Gift Aid we can claim back an extra 25 per cent on the money you pay for your child's subscription. The notes on the attached Gift Aid declaration explain this in more detail.

If all parents/carers can sign the form, this would represent a significant amount of money we could claim back from HMRC for our scout group.

We have provided some Frequently Asked Questions which may answer some of the queries you might have. If you would like to know more about Gift Aid you can find information on the HMRC site at [http://www.hmrc.gov.uk/charities/gift\\_aid/basics.htm](http://www.hmrc.gov.uk/charities/gift_aid/basics.htm)

If you have any questions, please ask and we will do our best to answer them. If you would like to complete the form, please do so, and then return it to us by email to <insert email address>.

Once again, thank you very much for your amazing support - it makes a huge difference.

Yours sincerely,

## Parents/Carers FAQs

A separate Parents/Carers FAQ documents has been created which you can attach with your email to parents. You can download from the Scout Foundation NI website Funding page for members <https://www.scoutfoundation.info/resources> (password si2020)

## Making a claim

Claims can be made at any time of the year to suit you, and you can claim for up to four prior years if you are late in getting your unit prepared for Gift Aid.

To make a claim for Gift Aid, you can submit you claim online. You just need to sign up initially to use HMRC's Online Services by enrolling with Charities Online. After this you can submit claims at your convenience by filling in fields in an online form; an automatic check will ensure that you are entering the information in the right format.

Other options are available for those who do not have access to the internet or who find it easier to complete a paper application.

Groups are now being asked to prioritise their Gift Aid claim for the tax year ending April 2017 as the final date on which this Gift Aid repayment claim may be made is April 2021. Reminders will be issued according to this timeline.

## A Reminder of Some Important Points

- You need to claim for a gift aid donation within 4 years. For example, for subs paid in the tax year ending April 2017, the final date on which a Gift Aid repayment claim may be made is April 2021. This is important as beyond this date your group will lose out on a years' Gift Aid claim. This is why we are asking all groups to complete the registration step immediately.
- Donors are entitled to cancel their declaration at any time; they may do so by notifying you in any form of communication. You should keep a record of the cancellation of a declaration, including the date of the donor's notification to you.
- You can start collecting Gift Aid declarations before you register for Gift Aid. After you register, claims can be backdated for up to four years - so make sure you're not missing out on claimable funds.

- Donors are entitled to cancel their declaration at any time. They may do so by notifying the charity in any convenient way. The charity should keep a record of the cancellation of a declaration, including the date of the donor's notification.

A cancellation will normally have effect only in relation to donations received by the charity on or after:

- the date on which the donor notifies the charity of the cancellation.
- or such later date as the donor may specify in the cancellation.

The charity must not reclaim tax in respect of such donations. Any donations received before the date of the donor's notification will still qualify as Gift Aid donations.

- Support templates and guidance are available on the Scout Foundation NI website Funding page for members <https://www.scoutfoundation.info/resources> (password si2020)
- Setting up the scheme does involve some work, but much of this is a one-off exercise!

## Where to find help

### Making a claim for a tax repayment

HMRC helpline 0300 123 1073

### Queries and support

[manager@scoutfoundationni.org.uk](mailto:manager@scoutfoundationni.org.uk)