



The Church of Scotland
Stewardship and Finance

**Important information
for Kirk Sessions,
Congregational Boards
and Treasurers.**

Gift Aid Small Donations Scheme A summary of the new scheme

Your church could qualify for an extra £1250 of funding each year through a new Government Scheme.

Has your church been registered as a tax charity by HMRC for at least two years?



Has your church made a successful Gift Aid claim in at least two of the past four years?



Was the donation made in cash and does it amount to £20 or less (this includes notes and coins of any currency)?



Has the donation been made by an individual?



If you have answered yes to each of the above questions, then you qualify for GASDS.

1. Introduction

Most churches and charities will understand and be part of the existing Gift Aid programme using it to claim back Gift Aid where appropriate. However, a new scheme is soon to be launched that will make it possible to claim Gift Aid on loose cash offerings. **This scheme is in addition to the current Gift Aid Scheme.**

The new scheme is called the Gift Aid Small Donation Scheme (GASDS) and it will commence in April 2013. It will (subject to certain conditions) allow for a Gift Aid style top-up payment to be paid to churches on small cash donations. Although not Gift Aid, for most practical purposes the characteristics of GASDS are such that it looks and feels much like it.

2. The Basic Scheme

From 6 April 2013, churches will be able to claim a payment equivalent to Gift Aid on cash donations of £20 or less (subject to an overall limit per charity) without the need for the donor to complete any paperwork, or the requirement for the donor to be a taxpayer. This is good news for churches, meaning that most will be able to claim up to an additional £1,250 from HMRC without the need for much additional work, relying largely on paperwork that will already be in place.

Claims will be limited to a 'core' of £5,000 per charity per annum, resulting in a maximum top-up payment of £1,250 (£5,000 x 25%) which can be received by the charity each year. In certain cases where churches operate with additional buildings, this limit may be added to.

3. How much can be claimed?

The basic calculations for GASDS claims work in the same way as for Gift Aid. For each £1 of eligible cash donation, the charity will be able to claim a top-up of 25p from HMRC. There is a maximum claim of tax on a £5,000 donation, i.e. £1,250 of Gift Aid. However, this is subject to a minimum claim for Gift Aid of £500 having been made by the church in the tax year. If the claim for the year is less than £500, then the maximum donation that can be claimed on is ten times the Gift Aid claim.

Please note that an identifiable cash donation from a donor who has signed a gift aid declaration cannot be included in GASDS. Cheques and standing orders are not eligible as GASDS is aimed primarily at the charity's unidentified donations. However, Free Will Offering envelopes (where the donor has not signed a Gift Aid declaration, and where the donation is less than £20) are eligible.

If your church has more than one building, then you may be able to claim additional top up payments of £1250 per building, provided these buildings are "community buildings" (i.e. the public or a section of the public have access at some or all of the time). So for each building used you can claim on up to £5,000 of donations on service offerings. This would be ideal in the case of linkages where there are multiple places of worship; or where churches meet in other locations (outwith the main church sanctuary). Examples of how this might operate can be found in the "Case Studies" booklet.

Please note that buildings on adjoining land are classed as one "community building", and so many church halls will be not be eligible for additional amounts.

4. Time Limits

All claims under GASDS must be made within one year of the end of the tax year in which the donation was collected. Remember that this is the tax year and not your accounting year end (where this is different). Money donated in the year to 5 April 2014 can only be claimed on up until 5 April 2015.

5. How do we apply?

You can claim GASDS top up payments in respect of donations collected from 6 April 2013. The claim will be made using the same form as that used to make full Gift Aid claims. For most churches, this will be done by completing a single new online form for both Gift Aid and GASDS. HMRC are updating their website regularly with further details about GASDS. www.hmrc.gov.uk Information will also be uploaded to the Church of Scotland website.

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