

Gift Aid

Gift Aid offers a simple way to increase the value of a gift of money from a UK taxpayer to charity or to a Community Amateur Sports Club (CASC) by allowing the charity or CASC to reclaim basic rate tax already paid on the donation from HM Revenue & Customs (HMRC).

Since it was introduced Gift Aid has increased in size to be worth nearly £1bn a year to UK charities and their donors.

How Gift Aid works

Gift Aid works by allowing charities to take a donation (which is money that the donor has already paid tax on), and then reclaim tax on its 'gross' equivalent (its value before tax was deducted) at the basic rate. This is 20 per cent from 6 April 2008.

In practice this means that for every pound donated to charity using Gift Aid the charity can claim an additional 25 pence from HMRC. Gift Aid can apply to one-off donations or to a series of regular donations.

Gift Aid declarations

In order for a donation to qualify under Gift Aid the donor needs to make a declaration saying that they would like to donate through the Gift Aid scheme and confirming that they have paid enough tax to cover the charity's claim. The charity can ask for a written declaration or they may accept oral declarations.

A Gift Aid declaration can apply to:

- a single donation
- all future donations to the same charity
- donations made to the charity in the previous six years or
- a combination of these options.

The charity will ask which type of declaration the donor wants to make.

Who can donate through Gift Aid?

A donor can use Gift Aid if the amount of tax they have paid in the tax year of the donation is sufficient to cover the amount of tax the charity will reclaim against the donation. The tax paid by the donor may be Income Tax, Capital Gains Tax or tax credits on UK company dividends. Tax years start on 6 April and run until 5 April the following year.

Higher rate taxpayers

A higher rate taxpayer who makes donations through Gift Aid can claim back the difference between the higher rate of tax and the basic rate of tax at 20 per cent on the total value to the charity/CASC of their donation (the 'gross donation').

The donor may choose to give some or all of this difference to charity.

Donors who complete a Self Assessment tax return will have an option to claim back the higher rate element of the tax relief on any donations made to charity. Donors who do not complete a Self Assessment tax return can call their tax office and have the higher rate relief reflected in their PAYE tax code.

SA Donate

SA Donate is a scheme for donors who complete Self Assessment tax returns and it enables donors to gift any repayment of tax that they are entitled to direct to charity. They can also use Gift Aid for this type of donation.

Non taxpayers

If you do not pay tax, you should not use Gift Aid.

What now?

Should you wish your giving to Orchard Baptist Church to be tax effective please complete the 'gift aid declaration' and return it to the treasurer as soon as is possible.

With thanks.

Notes

- Please notify us if you change your name or address while this declaration is in force.
- To cancel this declaration please notify us in writing.
- You must cancel your declaration if your circumstances change to such an extent that you no longer pay tax on your income.
- If you pay tax at the higher rate you can claim further tax relief in your self-assessment tax return.
- Please return the completed declaration to the Treasurer at OBC.

Orchard Baptist Church 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 Orchard Baptist Church and any donations I make in the future or have made in the past 4
years.

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.