



WE DISCOVER, WE GROW

Girlguiding

Gift Aid Information

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Introduction

Gift Aid is a government scheme to encourage giving to charities like us. It is far more flexible and helpful than previous schemes. It means that Girlguiding subscriptions are eligible for tax relief.

How can my unit/District benefit?

You can claim money back from Her Majesty’s Revenue and Customs (HMRC) on the subs paid by each girl in your unit. 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 girl pays total subs of £45 in a year, you can claim back £11.25 from HMRC - if you have 20 girls 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. Other payments, such as those received for camp fees or outings, cannot be included.

Claiming money back

Setting up the scheme does involve some work, but much of this is a one-off exercise. This resource explains everything you need to do and has been prepared to make the process as easy as possible.

Essentially there are six steps to claiming Gift Aid.

Step 1

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.

Step 2

Follow the instructions on page 2 on how to **register your unit with the Inland Revenue** so that you can claim Gift Aid.

Step 3

Set up a Gift Aid record file with three sections (more details are given on page 3).

Step 4

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'.

Step 5

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.

Step 6

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.

Note:

Throughout this pack the terms 'parent' and 'daughter' are used. They apply equally to a carer or other adult with parental responsibility, and their ward.

1. How to register with the Inland Revenue so that you can claim Gift Aid for your unit

- Start by downloading from the members' area of the Girlguiding website the interactive HMRC Charity Registration certificate applicable to your unit (ie the Gift Aid certificate for England and Wales, Northern Ireland or Scotland).
- Complete the HMRC form with the names, addresses, dates of birth and National Insurance numbers of the person making the Gift Aid application and annual claims on behalf of the unit (Authorised Official) and two members who must be trustees (Responsible Persons). In guiding, the charity trustees* of a unit or area are typically:
 - the Leader and any Assistant Leader(s) of a unit
 - the members of a Division or District Committee
 - the voting members of a County or Country/Region Executive Committee.
- Email the completed form to the Information Team (giftaid@girlguiding.org.uk) along with the address you would like your forms to be posted to and a contact phone number in the event of any queries. If you wish to password-protect the form, you can find details of how to do it on the internet. We recommend that passwords for protected forms are sent in a separate email.
- The Information Team will print off this form and arrange for it to be signed in accordance with a Girlguiding agreement with HMRC. The team will also complete the Gift Aid application form for your unit and post you printed copies of both of these forms.
- On receipt of these forms you will need to complete the bank account details on the Gift Aid application form. Each named person must sign to confirm their details, and the applicant needs to sign the final page of the application.
- You will then need to post the following documents to HMRC:
 - the signed unit Gift Aid application form
 - the unit HMRC Charity Registration certificate
 - a copy of the unit's last three months' financial entries on a bank statement or in a building society passbook
 - a copy of your latest unit accounts, if an established unit. New units need to provide an estimation of the first year's gross income to the Information Team (so that the estimate can be input into box 21 of the registration form - handwritten estimates are not accepted by the Inland Revenue).

Note:

** See the Guiding Manual for further clarification about trustees.*

If your application is successful, HMRC will send you a letter which will confirm that your unit is registered as a charity for tax purposes and will state your unit's HMRC reference number. It will also provide guidance on how to submit Gift Aid claims (see page 5).

You will need to keep the letter safe as it is your evidence that your unit can claim the available tax exemptions.

Your application will not be successful if you do not send all of the documents listed above. If you have concerns and questions about any of this, the Information Team will be able to supply further details.

2. How to keep the necessary records and filing system

Filing system

All Gift Aid information needs to be kept securely in a file with the following sections:

- correspondence with HMRC, including claims made
- a record of subscriptions received to support the Gift Aid claims made (see below under ‘Unit records’)
- Gift Aid declarations filed alphabetically by girl’s name.

The benefit of keeping everything in one file is that if HMRC wishes to audit your unit’s records, it will simply be a case of giving it one file to inspect.

Unit records

On the Gift Aid declaration there are spaces to record the girl’s name and date of birth as well as the details of the donor (normally the parent). You could file your unit cash records and the Gift Aid declarations alphabetically by the girls’ names.

Procedures for keeping unit records can be found in the *Guiding Manual*. If these procedures are followed, 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 unit register sheet, like the sample below, which can be found online along with other Gift Aid documents.

[name of unit] Unit register

Year beginning 6 April 2015

Name	Tel no.	Date of birth	Subs paid in term 1	Subs paid in term 2	Subs paid in term 3	Subs paid in year	Gift Aid dec Y/N	Claim Gift Aid	Date last paid
V Jones		19/6/99	15	15	15	45	Y	45	5/3/2012
C Smith		26/1/99	15	15	15	45	N	0	
R Harris		31/5/99	15	15	15	45	Y	45	5/3/2012
Total subs received			45	45	45	£135		£90	

Agree to cash records

Agree to HMRC claim form

The total subscriptions for the year should be reconciled to the cashbook. The ‘Claim Gift Aid’ column of the unit register records subscriptions for which a Gift Aid declaration has been received from a parent. The total of this column is the sum on which tax will be reclaimed. The date of last payment is required for HMRC repayment form (described on page 5) and this sheet, when completed, should be placed in the relevant section of the Gift Aid file.

Parents of current unit members

The big 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 girls 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 daughter's start date or by four years if they joined the unit over four years ago.

Claims on previous years must be made no later than four years after the end of the accounting period to which the claim relates. For example, for subs paid in the accounting period ending 31 December 2012 the final date on which a Gift Aid repayment claim may be made is 31 December 2016.

Any Gift Aid declaration should read as follows: 'I would like the charity to treat all subscriptions or donations I have made in the last four years, and all subscriptions or donations I make from the date of this declaration, until I notify you otherwise, as Gift Aid donations.'

The best thing would be to give the 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 with their next payment by including an envelope. If subscriptions are paid weekly, we would recommend that parents are given a form with an explanatory leaflet one week and asked to bring the signed form back the next week. If they lose the form, simply get them to sign another one. Page 6 of this document contains details on how to write an explanatory letter.

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.

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

4. 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. Claiming once a year in line with your accounting period (the date to which your unit accounts are prepared, eg 31 December) should be the best practice, but there is nothing to stop you claiming every term (although you may find the administration involved does not make this worthwhile). If you want to claim more than once a year, each claim should be for at least £100 of Gift Aid.

To make a claim for Gift Aid, you can use one of three options provided by HMRC.

Option 1: Claim using an online form

This method - of completing and attaching a schedule spreadsheet to an online claim form - is the one most useful for our Leaders. It can be used to submit a claim for up to 1,000 Gift Aid donors. To use this method you need to sign up initially to use HMRC's Online Services by enrolling with Charities Online (see page 6 for how to do this). 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.

Option 2: Claim through your own database

This option is for those who file Gift Aid claims for more than 1,000 donors, although it can also be used to make smaller claims. It is particularly useful for Gift Aid claims involving a large number of transactions at, say, big sponsorship events. To make claims through your own database you need to sign up to use HMRC's Online Services, and enrol on Charities Online (see page 6 for how to do this), then follow HMRC guidelines.

Option 3: Claim using a paper form

This option is for those who do not have access to the internet or who find it easier to complete a paper application. You will need to complete a paper repayment claim form, called a ChR1, and post it to HMRC. You can order ChR1 forms from the HMRC Charities helpline (0300 123 1073). The form is designed so that HMRC can automatically scan the information into the new system, so the payments can be made more quickly. There is no limit to the number of claims that can be submitted on the ChR1. Continuation sheets for the form (called ChR1CS) can be requested so that you can send in the details of up to 90 Gift Aid donors with each individual claim.

Note:

If any officials registered for your unit change, remember to advise HMRC by completing the downloadable form available on its website.

Sign up and enrol for Charities Online

After registering your unit/area with HMRC, you can make repayment claims using HMRC Online Services. To do this you will need initially to sign up for a Government Gateway account for your organisation - you will need to do this only once. When you enrol to use the Online Services you will be asked to enter some facts about your unit. Once you have done this you will be sent an activation code to activate Charities Online. You will then be able to file your Gift Aid repayment claims electronically.

Repayments of Gift Aid claimed are made directly into the charity bank account listed in your registration document. If you wish to change the bank account the payment is made to, you need to tell HMRC using form ChV1 (available on HMRC's website) 30 days before you submit your Gift Aid claim.

5. How to write an explanatory letter for parents/carers

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

To do this, you should write an explanatory letter for parents. It would be helpful to explain to them where their current subscription goes and what the extra money raised by the Gift Aid Scheme would be spent on. Each unit/District can then highlight specific needs and current expenditure.

You might find it useful to hold a parents' meeting so that questions can be asked. Please refer any difficult questions to your County contact.

A sample letter might look like this.

Dear Parent/Carer,

Gift Aid

We have a chance to increase the amount of money going into our unit/District 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 daughter's subscription. The notes on the attached Gift Aid declaration explain this in more detail.

At present, the money you pay for your daughter's subscription is spent on: [insert your unit/District details]

If all parents/carers can sign the form, the amount of money we could claim back would amount to £[x]. We would propose spending the money on [y].

If you have any questions, please ask and we will do our best to answer them. If you would like to sign the form, please do so and put it in the attached envelope, and then bring it to the next meeting.

Yours sincerely,

6. Where to find help - useful telephone numbers and addresses

Making a claim for a tax repayment

HMRC Charities

Repayments

St John's House

Merton Road

Liverpool L75 1BB

Tel: 0300 123 1073

www.hmrc.gov.uk/charities

Queries and registering your unit

Girlguiding

Information Team

Atlantic Street

Broadheath

Altrincham WA14 5EQ

Tel: 0161 941 2237

Email: giftaid@girlguiding.org.uk

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