

Gift Aid is an arrangement that allows charities (including churches) to reclaim tax on a donation made by a UK taxpayer. This means every donation will be worth 25% more, at no extra cost to the giver. For example, with Gift Aid the charity can claim an extra 25p for every £1 donated, which makes a huge difference.

If you would like to support your church with Gift Aid, you simply need to complete a Gift Aid Declaration. A Gift Aid Declaration is the giver's declaration that they wish for the church to reclaim tax on their gift and can be made for a single donation or for multiple donations. It's easy to complete your Gift Aid Declaration and can be made by email or over the phone.

How does it work?

Parish churches must first register with HMRC. They then ask all their eligible givers (i.e. UK taxpayers) to complete a Gift Aid Declaration. The church keeps a record of all eligible Gift Aid donations and periodically submits a summary to HMRC who pay the reclaimed tax back into the



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Gift Aid Small Donations Scheme (GASDS)

The Gift Aid Small Donations Scheme or GASDS as it's more commonly known was introduced in April 2013 to enable charities and churches to claim Gift Aid on small cash donations, where no Gift Aid Declaration had been given. For example, cash collected in buckets via street collections, in donation boxes in museums and art galleries or in plate collections and visitor donations in wall safes.

What is a Small Donation?

A Small Donation is a cash donation of £30 or less. HMRC recently allowed contactless card donations of £30 or less (collected on or after 6 April 2019) to be claimed under GASDs. A church can only claim up to £8,000 in Small Donations of donated income per tax year per church. The majority of eligible donations will be received as offerings during church services, either as loose cash, card payments or as regular envelopes from donors for whom a Gift Aid declaration has not been received.

There are two different elements to the scheme

- The Top Up element of the scheme, for single church building parishes
- The Community Buildings element of the scheme, for multi church building parishes

You should also use the Top Up element if you have more than one church building in the parish, but your eligible donations in total are not more than the £8,000 limit.

How does it work?

Once parishes have identified which element of the scheme they are applying under, they keep records of the eligible donations received. Monitoring the Totals column on your record will tell you when your parish has reached the £8,000 threshold within the appropriate tax year and you can include this information along with your church's periodical Gift Aid claim.

Latest Gift Aid updates

For the latest news, updates, guidance and links around Gift Aid, [see our advice page](#).

Other Giving Mechanisms

Contactless

Contactless giving enables people to give to your church by tapping a contactless payment device with their debit or credit card.

Online Giving

Online giving enables people to give to your church through your church website or social media page, making it easy for people to give.

Direct Debits

Regular giving, for example through the Parish Giving Scheme, is the best way to ensure you can financially plan for your parish's future.

Legacy

Each year around 4,000 people leave a gift in their will to their church, funding mission projects, maintaining beautiful church buildings and growing faithful communities.

HMRC have issued the following statement about GASDS if church buildings are closed:

In respect of GASDS, guidance on the eligibility for donations for inclusion in this scheme is clear in stating that claims can only be made on cash donations of £30 or less; and contactless card donations of £30 or less collected on or after 6 April 2019. The decision over what constitutes an eligible donation is one for the church/charity to make for themselves, rather than for HMRC, but the conditions for something to be considered a 'small donation' are clearly set out in legislation. Where it is the case, for example, of separate donations being given in a single envelope, then if the church/charity official is happy these are clearly separate 'small donations' (and clearly stated as such) then they will be eligible for GASDS, as is the case where separate envelopes are used".

Churches could help to make it easier to distinguish such gifts by providing separate collecting plates/donation receptacles reserved for saved-up donations.

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