



## Section 10: Gift Aid

<b>10.1</b>	<b>Gift Aid claim checklist</b>	<b>Page 1</b>
<b>10.2</b>	<b>When you can and cannot claim Gift Aid</b>	<b>Page 2</b>
<b>10.3</b>	<b>Gift Aid declarations</b>	<b>Page 3</b>
<b>10.4</b>	<b>Sponsorship income</b>	<b>Page 3</b>
<b>10.5</b>	<b>Record keeping</b>	<b>Page 4</b>
<b>10.6</b>	<b>Registering with HMRC and making a claim</b>	<b>Page 4</b>
<b>10.7</b>	<b>Where to get help</b>	<b>Page 5</b>

Gift Aid is a scheme that allows us to claim back money from HM Revenue & Customs (HMRC) for donations from UK tax payers. We can get 25p back for every £1 donated which can represent a sizeable amount of money.

**MS National Centre (MSNC) will claim Gift Aid on all eligible income received directly from donors and members. Branches should claim Gift Aid on any eligible income received by the branch but not on income received from MSNC. The Gift Aid claimed by MSNC is included as part of the money transferred to branches.**

The total value of Gift Aid you could claim for your branch will vary depending on both the size and nature of your income. But there are very few branches that will not find it worthwhile to claim.

### 10.1 - Gift Aid claim checklist

- ✓ **Are all the gifts being claimed eligible for Gift Aid? Many types of income such as raffle or auction donations are not eligible.**
- ✓ **Did you receive the income directly? (Branches cannot claim Gift Aid on income transferred from MSNC)**
- ✓ **Do you have a valid Gift Aid declaration or sponsorship form covering all gifts being claimed? (Branches need their own declarations and are not covered by ones held at MSNC)**
- ✓ **Can you show evidence for all gifts being claimed and trace them to a specific individual? (Records must be kept for 6 years)**
- ✓ **Are you registered with HMRC? (You'll also need to update HMRC if the branch details change)**

If you have done all of the above then you are ready to submit a Gift Aid claim.

## 10.2 - When you can and cannot claim Gift Aid

As a general rule, to claim Gift Aid:

- monies need to be personal gifts received from a known individual
- monies need to have been received within the last four years
- you must have either a signed Gift Aid declaration form from an individual, a copy of a confirmation letter or a correctly completed sponsorship form covering all gifts being claimed

### What you can claim Gift Aid on:

- ✓ General donations
- ✓ Membership subscriptions paid directly to the branch.
- ✓ Sponsorship income from individuals
- ✓ 'In memory' donations from known individuals
- ✓ Regular bank credits or direct debits

### What you can't claim Gift Aid on:

- ✗ Monies received over 4 years ago
- ✗ Any monies paid to branches by MSNC, including subscriptions and donations income remitted via MSNC
- ✗ Collection boxes
- ✗ Raffle tickets
- ✗ Anonymous donations
- ✗ Income where the donor has received a significant benefit
- ✗ Trading income
- ✗ Legacies
- ✗ Overseas gifts
- ✗ Gifts from charitable companies
- ✗ Grants

Provided the branch has a valid Gift Aid declaration it can make a claim on eligible donations received in the past four years (excluding those received via MSNC).

## Other Gift Aid Schemes

### The Gift Aid Small Donations Scheme (GASDS)

This scheme allows charities to claim £5,000 in cash donations without signed Gift Aid declarations. Unfortunately the £5,000 limit applies to the MS Society as a whole and the £5,000 is claimed centrally. Therefore, **individual branches will not be able to claim Gift Aid under GASDS.**

## Community Buildings Allowance

Branches who have a day centre may wish to consider claiming for Gift Aid under the Community Buildings Allowance on small cash donations made in at the centre. This is a very complex area - contact the **Finance team** at MSNC for further details.

### 10.3 Gift Aid declarations

To claim Gift Aid on donations, HMRC require a declaration by the donor that their donations are eligible under the scheme. **The declaration must include at least the first initial and surname of the donor as well as the door number and postcode of their home address.**

The wording of the Gift Aid declaration is also very important. To ensure your claim meets HMRC requirements, you should use **Appendix D annex A: Branch Gift Aid declaration form**. You can also obtain an oral declaration, although this needs to be followed up by a letter (**Appendix D annex B: Oral Gift Aid declaration form**). You do not need a declaration for every gift as one declaration can cover multiple gifts provided the wording is correct.

Written declarations and copies of confirmation letters must be kept for 6 years after the date of the last claim.

Your branch will need its own Gift Aid declarations covering all gifts on which you are claiming Gift Aid. Declarations held at MSNC cannot be used to claim Gift Aid on income received directly by branches.

### 10.4 - Sponsorship income

A special provision allows you to claim Gift Aid on sponsorship donations without needing to keep separate records and declarations for all individual sponsors and donations. Individual sponsorship gifts of over £500 are not eligible under this process and must be claimed separately. To claim under this provision you will need to submit the total amount being claimed under the name of the individual being sponsored and provide a supporting sponsorship form that must contain the following:

- ✓ The name of the MS Society and its charity registration numbers
- ✓ The full name and home address of each donor (including the postcode)
- ✓ Details of what is being sponsored
- ✓ Amount pledged and money collected
- ✓ Date money given
- ✓ The necessary wording from the Gift Aid declaration
- ✓ A column for sponsors to tick acceptance of the Gift Aid declaration

**Find out more**

- Download MS Society sponsor forms from our **volunteer website** <http://volunteers.mssociety.org.uk/resources/67>
- Order copies from our **online shop** <http://volunteers.mssociety.org.uk/shop>

## 10.5 - Record keeping

You will need to provide an audit trail for HMRC to show that a claim relates to a specific donation that can be traced back to a specific individual. This will normally be done through tracing the Gift Aid donations from your cashbook/transaction ledgers to the branch bank statements.

One way to manage this process is to create a donor record on branch accounting online, and then link the gift record to the donor record. This software will be the evidence that the branch has received the original donation and that it came from a specific individual. You must also keep a separate declaration form that can be linked to the individual.

All records should be retained for 6 years after the date of the claim.

## 10.6 - Registering with HMRC

If you have never claimed Gift Aid before, you will need to register with the HMRC first using the **ChA1** form which can be found on:

- HMRC website <http://www.hmrc.gov.uk/>
- Our **volunteer website** <http://volunteers.mssociety.org.uk/finances>

### Changes to your registration

For a change in address, bank details, authorised official responsible person or anything else, you must complete the **ChV1 HMRC Charities Gift Aid variations form**.

Download the form <http://volunteers.mssociety.org.uk/resources/235> and guidance for completing it <http://volunteers.mssociety.org.uk/resources/234> from our **volunteer website**.

If the name of your branch has changed since you last claimed Gift Aid then you will need to notify HMRC and may need to complete a new **ChA1 HMRC Charities Gift Aid application form**.

**Please wait at least 1 month for the ChV1 form to be processed before submitting a claim.**

### Completing a Gift Aid claim

Gift Aid can be claimed in one of 2 ways.

#### Option 1 - Enrol for Charities Online

- a. In order to enrol you will need to register online (part b below) and use the spreadsheet claim schedule available from **HMRC website**

<http://www.hmrc.gov.uk/charitiesschedules/giftaid.htm> or from our **volunteer website** <http://volunteers.mssociety.org.uk/finances>

The spreadsheet needs to be in the correct format before submission to the HMRC and must have the file extension **.ods** as opposed to **.xls** or any other extension.

To create the .ods file extension you will need to use the 2010 version of Microsoft Excel or you can download free software available at the Libreoffice website

- b. Create an account in the name of the branch using the **Government Gateway** at the HMRC Online section of the **HMRC website** - <https://online.hmrc.gov.uk/login>

You can view a demonstration of how to do this at <http://www.hmrc.gov.uk/charities/online/charities-demonstrator.pdf>

- c. Submit these claims through your branch Government Gateway account.

To use the spreadsheet method, your claim must list fewer than **1,000 donation** entries.

## Option 2 - Make paper submissions

To make paper submissions you need to complete form **ChR1**. If you have more than 90 entries, a continuation form called **ChR1CS** must be used. These forms are available by contacting the HMRC Charities Helpline using the following details:

HM Revenue & Customs  
Charities Correspondence S0708  
PO Box 205  
Bootle  
L69 9AZ

Telephone: 0300 123 1073

## 10.7 - Sources of support

- For help claiming Gift Aid or using branch accounting online, contact the **Finance team**
- For information about Gift Aid claimed by MSNC, contact the **Membership team**
- You can also contact the **HMRC Advice Line** on 0300 123 1073

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