

GIFT AID GUIDELINES

What is Gift Aid?

Gift Aid allows the Cystic Fibrosis Trust to claim, from the Inland Revenue, the basic rate of tax on a donation made by a tax-paying donor.

How much is it worth?

As the current base rate of income tax is 22%, we can claim 28 pence for every £1 donated. This is because you paid tax on the gross amount of the donation. This is calculated by multiplying the donation by 22% and then dividing by 78% (100%-22%). This, for a £1 donation, gives claimable Gift Aid of 28 pence.

I'm a higher rate taxpayer; does this mean the CF Trust can claim more money?

Sadly no. There is some good news for you though. We can only claim back the base rate of 22%. As the higher rate of tax is currently 40%, by completing the relevant section on your tax return form, you can claim the difference of 18%. This means that for a donation of £100, we would claim back £28.20 and you would be able to claim £23.08. Meaning that you have given us £128.20 and it has only cost you £76.92.

How does it work?

As long as a person is a UK taxpayer, and has made a declaration to that effect, we can claim Gift Aid on any amount donated by that person on or after 6 April 2000.

What is a Gift Aid declaration?

A Gift Aid declaration is a simple form filled in by a supporter of the CF Trust giving their name and home address details along with a statement confirming that they are a UK taxpayer.

I've made a declaration but I'm no longer a taxpayer, what should I do?

You need to let us know as soon as possible if you cease to be a UK taxpayer. This is important because we cannot continue to claim Gift Aid on further donations you make until you start paying tax again.

I've made a declaration but I have moved house, does it matter?

As long as we have a current home address for you, it doesn't matter that the address provided on the declaration is no longer valid. Just make sure you let us know of any changes.

I'm doing a sponsored event, can I write you a cheque so you can claim the Gift Aid?

Unfortunately no. What you can do is ensure that you only use properly authorised sponsorship forms from the CF Trust (or photocopies). These will enable the people who support you in your event to fill in the necessary information (full name and home address) so that we can claim the Gift Aid due from each sponsor. If you create your own forms, you may miss an important piece of information that means the form and any declaration becomes invalid. Simply return the completed CF Trust sponsorship forms **with the money you have raised** and we will do the rest.

I have organised a house-to-house collection. Can you claim Gift Aid on the donations given in the envelopes?

House-to-house collections can be a good source for Gift Aid. The important thing to remember is that each person needs to fill in the information on the envelope (amount donated, name and address) that will constitute a declaration. Each envelope then needs to be returned to the CF Trust with the money raised. This means that we can claim the Gift Aid on each envelope and may increase our income by almost a third.

I bought some raffle tickets from a local representative of the CF Trust. When I asked about Gift Aid, they said it can't be claimed on raffle ticket sales. Is this true?

Yes. Gift Aid can only be claimed on donations made to the Trust. As you are buying a ticket for a raffle and therefore stand a chance of winning a prize, a claim cannot be made.

I work for a company that would like to make a donation. Can they make a Gift Aid declaration?

Because Gift Aid for companies is based on their corporation tax, which in turn is based upon their profits and taxable income, charities cannot claim Gift Aid on corporate donations.

In these cases, the company donates the gross amount and reclaim tax at their appropriate rate.

If a company pays corporation tax at 30% (a fairly typical rate for larger companies) and wants to donate £5,000 they calculate that the tax due for that donation would be £1,500. They then make a donation to the charity of £6,500 and claim back the £1,500 tax at a later date.

The proceeds of my event will be going to more than one Charity, how would this work?

In real terms, the only way this could work effectively is to have separate sponsorship forms for each Charity and offer sponsors the choice of which Charity they would like to support.

Further information can be obtained from the Inland Revenue or The Giving Campaign Websites. Log on to:

www.inlandrevenue.gov.uk/charities

or

www.givingcampaign.org.uk