

Gift Aid Changes Guidance Note

Revised HMRC Guidance on Gift Aid Declarations

In February 2012 HMRC updated their guidance on Gift Aid declarations and provided new model declarations. This guidance was developed to help ensure charities give a full and correct explanation of the law to their donors, before the donor makes the declaration.

HMRC has also introduced a new checklist of the minimum information that must be included in a declaration, if a charity uses its own declaration form. Charities should ensure that their Gift Aid declarations fulfil the requirements set out in the guidance, as HMRC are aware that many declarations in use are not in accordance with the legislation. Further information issued in March 2012 clarifies certain points, including:

- It has always been the case that the donor must pay enough tax to cover all of their charitable donations and not just the donations made to that particular charity at that particular time. The mandatory information on the forms insures that the donor is making an informed declaration, and understands the consequences if he has not paid enough tax to cover all the donations he makes under Gift Aid.
- Where possible charities should seek to incorporate any additional information required under the new guidance as soon as possible, and amend their processes if required to ensure that staff and volunteers are providing the correct information to donors. Charities may also like to remind donors who have made enduring Gift Aid declarations, perhaps through their regular mailshots, of the rules on tax to cover.
- HMRC will continue to accept Gift Aid claims on donations made using forms based on the old HMRC model declaration wording until 31 December 2012.
- Where a charity has already received a Gift Aid declaration based on the old guidance wording they do not need to ask the donor to supply a new declaration with the new wording to support that donation for Gift Aid purposes. It is only

new declarations and where charities are replacing enduring declarations that need to be based on the revised wording. Charities may choose to replace their existing enduring declarations with new ones based on the new guidance if they so wish but there is no requirements to do so.

The new guidance, checklist and model declarations can be found at www.hmrc.gov.uk/charities/gift_aid/declarations.htm

Error in Gift Aid Record Keeping Guidance

However, HMRC issued a statement regarding an error they identified in their own guidance on keeping Gift Aid records. The guidance stated that the four-year time limit for making claims also applied to the retention of records. This is incorrect. Records need to be kept for at least six years. HMRC has confirmed that if records have already been destroyed based on previous guidance, HMRC will not penalise these charities for this, but from now on records have to be retained for the full six year retention period.

If you have a query about Gift Aid declarations or any other issues regarding record keeping, please feel free to contact a member of the Chiene + Tait charity team on 0131 558 5800 or email charities@chiene.co.uk.