

GUIDE 12a: Small Donations Scheme for Parishes with a Single Church

(v6: April 2019)

Overview

The **Gift Aid Small Donations Scheme (GASDS)** allows Churches to claim a Gift-Aid style payment on small cash donations of £20 or less (up to £30 from April 2019) up to a threshold of £8,000 of donated income per tax year per Church from April 2016 (£5,000 for prior tax years). **This guidance note is only for parishes with a single church; parishes with more than one church building should use Guide 12b.**

What's new?

In the autumn of 2016 the Government made some improvements to the scheme. Two changes that affect parishes with a single church building are that from April 6th 2017:

- a) contactless payments are now included in the scheme and
- b) you can no longer use a combination of the Top Up element and Community Buildings Scheme, but can only claim on the top-up part of the scheme.

1. Can I use the scheme?

For donations from April 6th 2017, all PCCs, or charities registered for Gift Aid with HMRC, are able to use the scheme as long as you have not incurred a penalty relating to a Gift Aid or GASDS claim in the current or previous tax year. For donations prior to this, you will be eligible if you have:

- existed for at least 2 complete tax years before the year you want to claim for.
- made a successful Gift Aid claim in at least 2 of the previous 4 tax years without a gap of two or more tax years between those Gift Aid claims or since the last claim was made.

2. What counts?

To be eligible, donations must be small cash or contactless donations:

- **small** – donations of £20 or less (£30 from April 2019)
- **cash** – in coins or notes. Standing orders, cheques, text or online giving etc are not eligible, or **(from April 2017) contactless** payments made using the contactless payment facility of a card, mobile phone or other device. Chip and Pin or other payments which record the card are not eligible.
- **donations/giving only**. Money from raffles, tombola's, sales and other income that would not qualify for Gift Aid cannot be included in the scheme. Donations that are linked to any benefit at all must also be excluded e.g. a concert that asks for donations rather than has tickets.

from **individuals** and **on which no Gift Aid claim has been or will be made**. The cash or contactless payments will need to be banked or received in a UK bank account.

3. Which part of the scheme do I use?

Single church parishes should use the main **Top Up** rather than the **Community Buildings** element of the scheme (which initially was the only option open to C of E parishes).

4. So what can we claim on?

Parishes with a single church should claim using the Top Up section of the scheme on:

- cash collections and contactless donations received during all services
- regular giving envelopes on which no Gift Aid declaration has been received
- donations left by visitors in wallsafes (where the wallsafe only collects donations and is not used for the sale of books, postcards etc) or equivalent donations made by contactless card.
- cash and contactless donations received outside of the building

You must exclude any donations that are not eligible (see section 2) such as donations that are not in cash or by a contactless card, or where you know that a single donor has given more than £20 (£30 from April 2019) e.g. three regular giving envelopes from the same person at the same service or £50 notes.

You should use the **Top Up** rather than **Community Buildings** element of the scheme, and can claim on up to £8,000 of eligible donations for each tax year from April 2016, (£5,000 for prior tax years). However, if a church receives **less** than £800 of Gift Aided donations in a year, the threshold for the small donations scheme is ten times the amount of Gift Aided donations claimed rather than £8,000.

5. What records do we need to keep?

For the Top Up element of the scheme, HMRC require you to keep two pieces of evidence, neither of which should be a new requirement:

- 1 To be eligible, Small Donations must be banked at a bank or post-office branch in the UK. You must keep evidence which shows at least the amount claimed under GASDS was deposited –often your bank statement. You do **not** need to bank GASDS donations separately from other collections.
- 2 Records which separate out eligible donations from non-eligible donations. For services, you are advised to use a simple form for recording cash collections, and can use a similar form for recording other donations. You will need a way of recording your Planned Giving Envelopes to determine which are eligible for Gift Aid, which for the Small Donations Scheme, and which are eligible for neither (because there was more than £20 (£30 from April 2019) from a donor, or it was given by cheque). You will no longer need to record collections from individual services on separate record sheets.

The majority of eligible donations will be received as offerings during church services, either as loose cash or as regular envelopes from donors for whom a Gift Aid declaration has not been received.

The example **vestry sheet** on the right shows eligible cash donations of £59.10 for this particular service. To this can be added some of the collections received in Regular Giving Envelope, but only those:

- which were £20 or less (£30 from April 2019)
- where the gift was in cash, not cheque
- and on which no Gift Aid declaration has been received.

All churches should already have **a method for recording regular envelope donations**, which will list weekly receipts against each numbered envelope. For those donors for

St Agatha's Church, Anywhere
Vestry Record

20th October 2013						
	Regular Giving Envelopes	One-off Gift Aid Envelopes ¹	Open Plate and Non-Gift Aided Donations ²			
	No of Envelopes	No of Envelopes	Eligible for GASDS	Not Eligible for GASDS	Non-Donations ³	TOTAL
Notes: £50						
£20	40.00	20.00				60.00
£10	30.00		20.00			50.00
£5	25.00	5	15.00			45.00
Coin: £2	12.00		14.00			26.00
£1	7.00		7.00			14.00
50p	0.50		2.50		3.00	6.00
20p			0.60		2.50	3.10
10p or 5p					1.20	1.20
2p or 1p					0.60	0.60
TOTAL	114.50	25.00	59.10	0.00	7.30	206.90
Cheques	12.00					12.00
GRAND TOTAL	126.50	25.00	59.10	0.00	7.30	217.90

whom a Gift Aid declaration has been received, nothing changes, and Gift Aid is claimed in the usual way. For those donors without a Gift Aid declaration, the system will need to be slightly modified to make a note if the donation was by cheque, perhaps by circling it, or adding a “Ch” next to the amount. The donations from the donors without a Gift Aid declaration are eligible for the Small Donations scheme if the donation received in a week was in cash and £20 or less (£30 from April 2019).

Envelope Number	Gift Aid?	Week				
		1	2	3	4	5
1	Y	£20	£20	£20	£20	£20
2	Y	£15	£15	£15	£15	£15
3	N	£20		£40	£20	£20
4	N	£10	£10	£10 CH	£10	£10
5	Y	£20	£20	£20	£20	£20
Eligible		£30	£10	£10	£20	£30

In the example on the left, which shows just the first five of St Agatha’s donors, there are two envelope donors for whom no Gift Aid declaration has been received: No 3 who gives £20 a week and No 4 who gives £10 a week,. Normally the church is able to include the £30 weekly gifts received from the two donors in its tally of donations eligible for

GASDS. However, in week 3, Donor 3 gave £40 and since this is over £20, this must be excluded from the GASDS eligible amount. In week 4, donor 4 put a cheque in their envelope, which also must be excluded.

We then suggest that you have a **simple tracker** which records the running total of eligible donations received. This might look something like the form on the right. In this example, St Agatha’s has received £2,968 of eligible donations by October 20th. Remember, your tracker needs to run on a Tax Year basis (6th April to 5th April).

St Agatha's Church, Anywhere			
Small Donations Tracker			
Sunday	Non Gift-Aided	GASDS-eligible	Total
	Envelope Donations	Plate Collections	
07/04/2013	48.50	62.85	111.35
20/10/2013	46.50	59.10	105.60
Totals for Tax Year	1260.00	1708.00	2968.00

6. How do we claim?

Claiming under the Top Up element of the scheme is very simple. You can either claim at the same time as you make a claim for Gift Aid, or you can do it separately, but you will use the same online claims process or the same form. If you are claiming online you will answer Yes to claiming a top up payment for small cash donations under GASDS. A number of other options will then open up, and you should answer “Yes” to the first, that you are claiming a top up payment under GASDS for donations that were not collected in a community building. You would answer “No” to the next two questions, and also to the final question unless you are making an adjustment to correct a previous claim. See the screen shot below.

Repayment claim details


Questions about this claim

You can use this service to claim tax repayments on Gift Aid donations, claim UK tax deducted from other income and claim top-up payments under the Gift Aid Small Donations Scheme (GASDS). Please answer the questions below indicating which of the three areas you want to claim under then, click the 'Next' button to continue.

* indicates required information


Are you claiming Gift Aid? * ?


Are you claiming UK tax deducted from other income? * ?


Are you claiming a top up payment for small cash donations under GASDS? These are not your Gift Aid donations. * ? 


Your claim reference number: ?

If you indicated you are claiming a top-up payment under GASDS you must provide the information below.*

Are you claiming a top up payment under GASDS for donations that were not collected in a community building? ? 

Are you claiming for donations collected in community buildings? ? 

Are you connected to any other charities or CASCs for the purpose of GASDS? ? 

Are you making an adjustment to a previous GASDS claim? ? 

Then when you click “next” and have entered details about the charity and the registered contact, it will provide you with a claim screen. All you need to do is enter the year and the amount. No need for any spreadsheet attachments. Simple!

7. Frequently Asked Questions

Q1: Can we now include small donations received at services with fewer than 10 people?

A: Yes.

Q2: Can we claim on both parts of the scheme, including for previous years?

A: From April 2017 the scheme has been simplified to allow you to only claim on one part of the scheme. Parishes with a single church building should claim using the Top Up element.

Q3: How will I know whether say, a £20 note and a £10 note are part of the same gift?

A: The donation should only be disregarded as being over £20 (£30 from April 2019) if you have evidence to show this – if for example, there was a £50 note (a very rare sighting on a church collection plate!) or the notes were contained in an envelope, or banded together. Otherwise you can assume that cash donations collected on a plate or in a bucket from a number of individuals are eligible.

Q4: Does this remove the need for one-off Gift Aid envelopes?

A: No. Some donors will want to be able to give even small donations through Gift Aid, and if a church receives more than £8,000 of small donations, then if some are given under Gift Aid it allows the church to reclaim a higher amount overall. One-off envelopes should still be available for those who wish to give more than £20 (£30 from April 2019), particularly during a Gift Day when larger donations might be expected.

Q5: Is a gift of £20 (£30 from April 2019) or less in a regular giving envelope on which no Gift Aid declaration has been received eligible for the scheme?

A: Yes, although it is always good practice to encourage givers to complete a Gift Aid declaration if they are eligible to do so, particularly those who give regularly.

Q6: What about collections received which will be given to other charities e.g. Christingle?

A: The PCC can only claim on up to £8,000 of eligible donations. If it receives more than this, it can choose which donations to claim on. If it chooses to include donations that will be passed

onto another charity, these form part of the PCC's £8,000 limit. The GASDS claimed on them should also be passed on, as is the case with Gift Aid.

Disclaimer: The Parish Resources Gift Aid Guides in the series are intended as guidance only. You should consult HMRC or other professional adviser if you are in doubt as to the Gift Aid regulations. This Fact Sheet was updated in April 2019 and is available to download from the Parish Resources website at <http://www.pariahresources.org.uk/giftaid.htm>