

CHARITY RETAIL LEARNING

Delivered by:



Charity
Retail
Association®

Retail Gift Aid Training

Head Office Users

WELCOME

Timings*



Day 1

- What is Gift Aid?
- Setting up retail Gift Aid.
- On the shop floor.
- Final discussions on the day.

Day 2

- Quiz & answers.
- Admin confidence.
- HMRC Compliance – Keeping HMRC happy
- Q&A session/surgery.
- Final discussions on the day.

GIFT AID

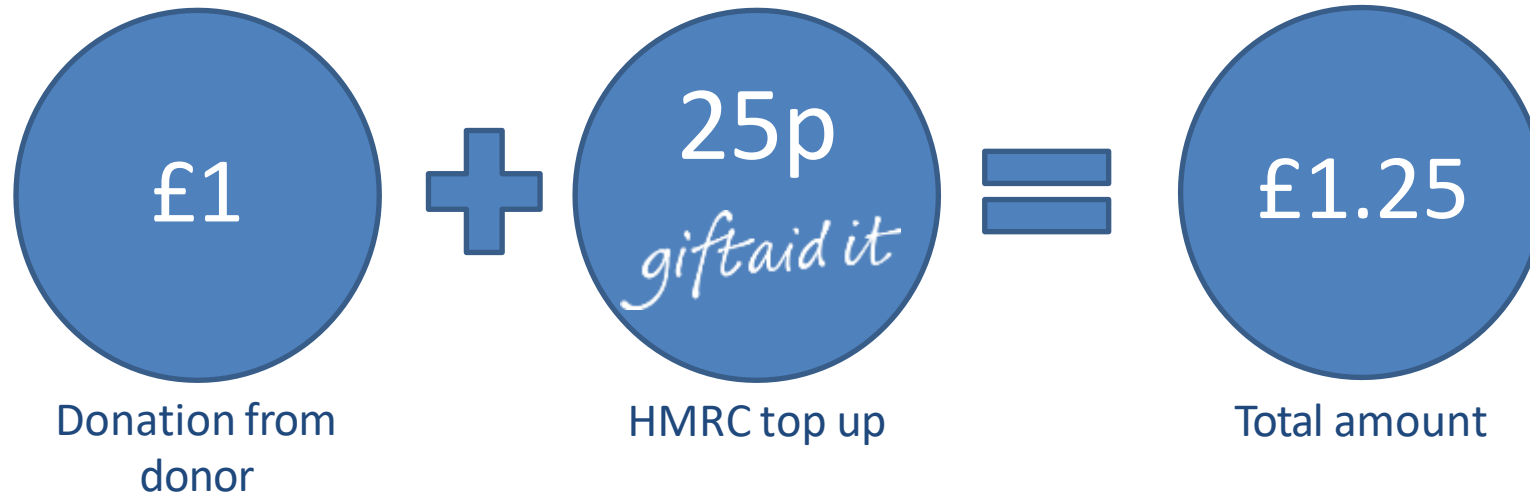
Gift Aid It

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GIFT AID

What is Gift Aid

Gift Aid allows charities to claim back an additional **25%*** of **cash donations** from HMRC.

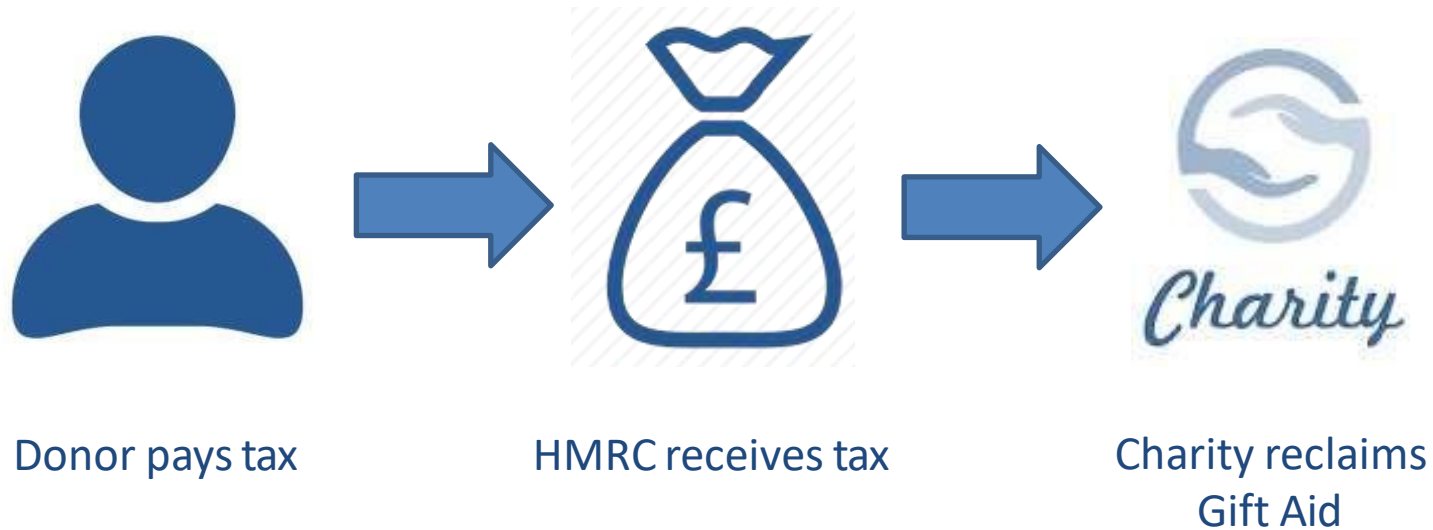


* Current rate set by HMRC

GIFT AID

Donor's Tax

Gift Aid is reclaimed based upon the amount of UK tax a donor has paid.



It is the donors responsibility to have paid enough tax.

GIFT AID

10

What Counts As Tax



Council Tax



VAT



Car Tax



Tax on a Salary



Tax on a Pension



Capital Gains Tax

GIFT AID

How Much Tax Must Be Paid

The amount of tax paid should be the maximum amount of Gift Aid that is reclaimed



No tax paid



No Gift Aid



Max £10 tax paid

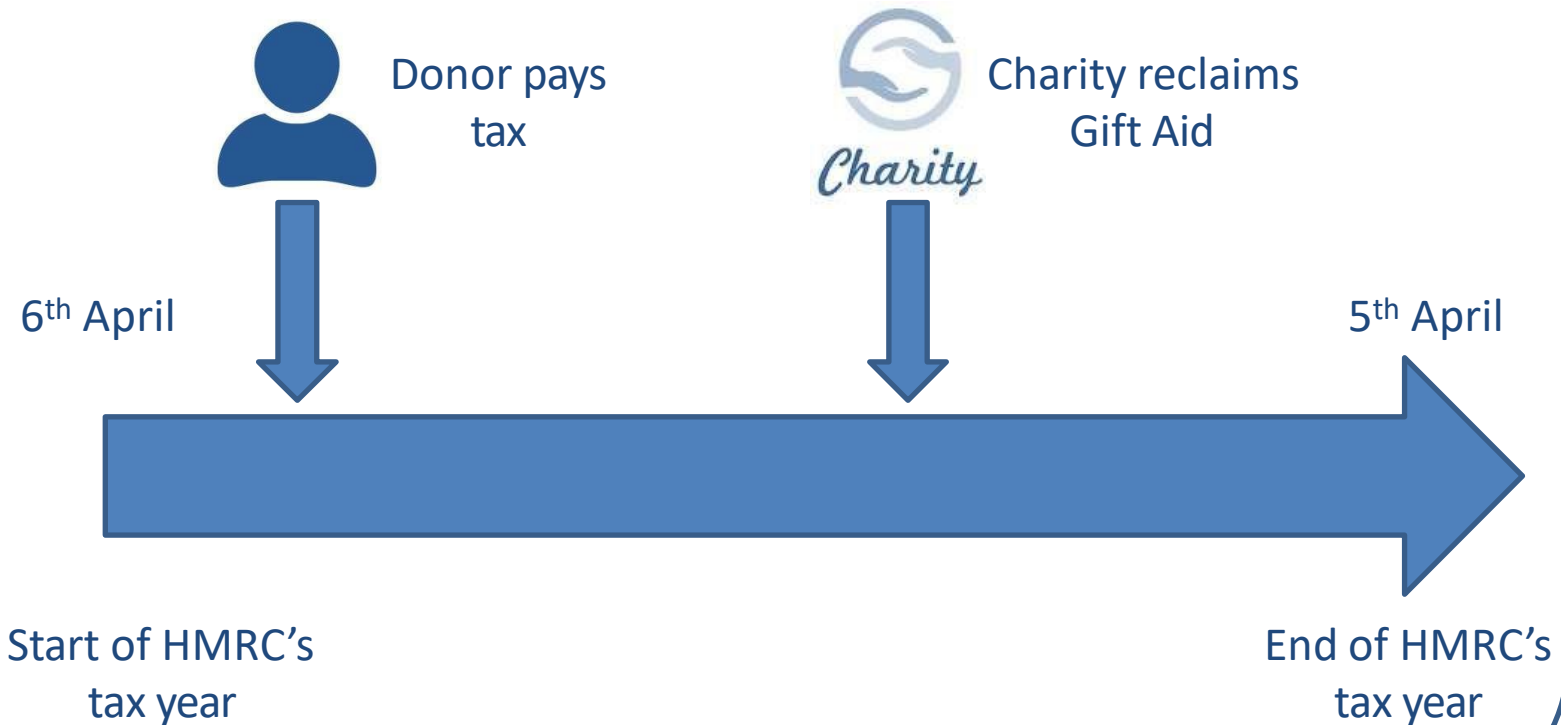


Max £10 Can Be Claimed

GIFT AID

When Does The Tax Have To Be Paid

Sufficient tax must be paid within the same year as Gift Aid claimed.



GIFT AID

Personal Tax Allowance

If you earn less than the personal tax allowances,
you may not pay any income tax.

No tax paid



No Gift Aid

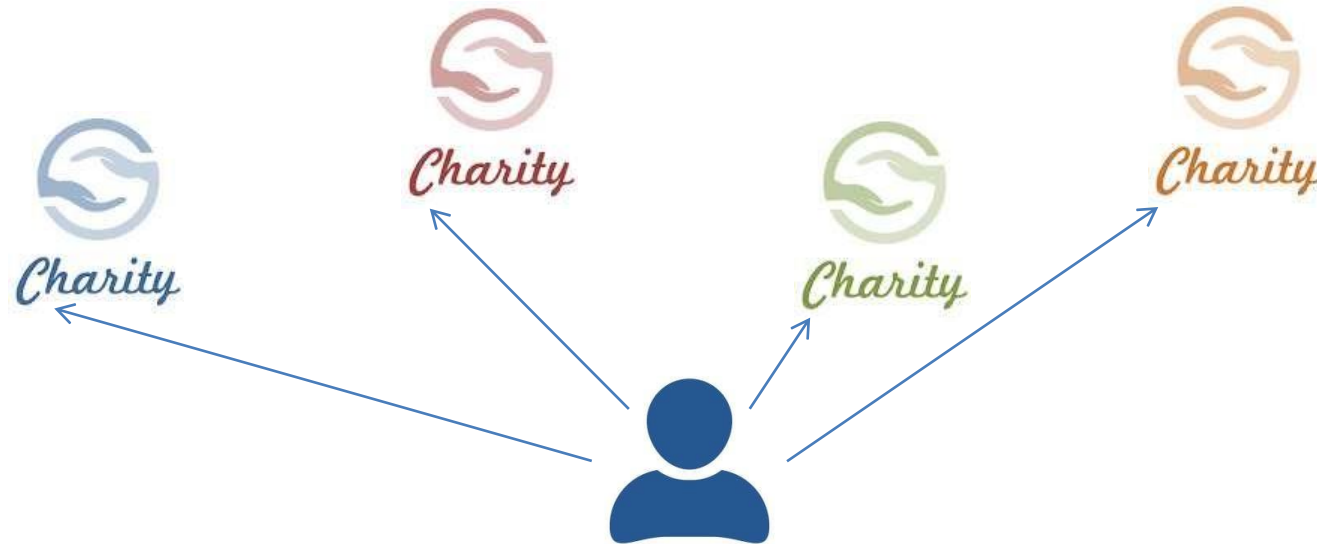
Tax Year*	2021 - 2022	2019 - 2021	2018 - 2019	2017 - 2018
Personal Allowance	£12,570	£12,500	£11,800	£11,500

* HMRC's Tax Year runs from 6th April – 5th April.

GIFT AID

“The Gift Aid Club”

Every charity operates the Gift Aid scheme differently.



A donor can sign up to Gift Aid as many times as they like...
Just remember they must have paid enough tax.

Setting up retail Gift Aid

RETAIL GIFT AID

Gift Aid Vs Retail Gift Aid

Gift Aid can only be claimed on cash* donations

Goods donated



Converted to cash



This is done using an
Agency Agreement

* HMRC are in discussions surrounding other payment types.

RETAIL GIFT AID

Donation & Selling



RETAIL GIFT AID

HMRC's Declaration Form

HMRC's template can be found online.

<https://tinyurl.com/uf6fb9w>

<u>Charity Gift Aid Declaration – When goods are sold by, and the proceeds gifted to, charities</u>	
<i>(This template includes the minimum requirements for a Gift Aid declaration to be valid; those items highlighted in BOLD are mandatory to meet HMRC requirements as detailed in paragraph 3.6.2 of the HMRC guidance. The text can be varied or added to, however, to meet the charity's own requirements)</i>	
<i>This declaration MUST be used in conjunction with an Agency Agreement to be valid for Gift Aid purposes.</i>	
<i>Gift Aid can be reclaimed by the charity from the tax you pay for the current tax year.</i>	
Name of Charity	<input type="text"/>
Donor Details	
Title	<input type="text"/>
First name or initial(s)	<input type="text"/>
Surname	<input type="text"/>
Home Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Post Code	<input type="text"/>

This template is to be used with an Agency Agreement.

RETAIL GIFT AID

Compulsory Information On GAD

A charity's Gift Aid Declaration form should capture:-

- Title ¹
- Initial ² / First name
- Surname
- Home Address
- Postcode
- E-mail ³

¹ This is now preferred but not compulsory. "MX" is also acceptable.

² First name is now preferred by HMRC. No retrospective action is required on previous donor GAD's.

³ Not compulsory but cheaper way to send Gift Aid correspondence.

RETAIL GIFT AID

Compulsory Statements On GAD

A charities Gift Aid Declaration form should include:-

- ☐ I want to Gift Aid my current donation and any donations I may make in the future or have made in the past **4 years** to *(Name of Charity)*.
- I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.
- I will notify *(Name of Charity-METHOD A)* **OR** *(Name of Trading Subsidiary – METHOD B)* of any change in my personal circumstances, such as name and address, or that I no longer pay UK Income or Capital Gains tax or I wish to cancel the declaration.

RETAIL GIFT AID

Compulsory Statements On Agency Agreement

A charities Agency Agreement should include:-

- I wish (*Name of Charity-METHOD A*) **OR** (*Name of Trading Subsidiary – METHOD B*) to act as an agent in the selling of my goods, at a rate of X% commission + VAT.
- (*Name of Charity*) operates the **Standard Method** of Gift Aid. This means before we make any Gift Aid claim we will write/e-mail, to inform you of the money raised from the sale of your donations once a sufficient amount has been sold. You may then choose to reclaim the money back or donate these proceeds to us.
- (*Name of Charity-METHOD A*) **OR** (*Name of Trading Subsidiary – METHOD B*) operates the **Addendum 1 (Method A or B)** of Gift Aid. If the net sales proceeds are below or equal to £100/£1,000 Gift Aid will be claimed automatically. If the net sale proceeds exceed £100/£1,000 (In any tax year), we will write/e-mail to inform you of the money raised from the sale of your donations once a sufficient amount has been sold. In addition, we will also send you a “end of year” statement advising how much Gift Aid has been claimed from HMRC within the relevant tax year (Sent between 6th April – 31st May).*

* Subject to de minimis

RETAIL GIFT AID

Recommended Statements On Agency Agreement – 1 of 2

You may also wish to include:-

- I am not acting as a business in bringing goods for sale to (*Name of Charity-METHOD A*) **OR** (*Name of Trading Subsidiary – METHOD B*).
- Every effort will be made to sell your goods. However, goods which cannot be sold by (*Name of Charity-METHOD A*) **OR** (*Name of Trading Subsidiary – METHOD B*) may be sold/given to a recycling agent.
- Once donated, unfortunately goods cannot be returned.
- (*Name of Charity-METHOD A*) **OR** (*Name of Trading Subsidiary – METHOD B*) reserve the right to terminate this agreement at any point without notice.
- We reserve the right to change the terms & conditions of this agreement. A notice period of 30 days will usually be given.

RETAIL GIFT AID

Recommended Statements On Agency Agreement – 2 of 2

You may also wish to include:-

- Your details will be shared with HMRC in order to enable *Charity-METHOD A) **OR** (Name of Trading Subsidiary – METHOD B)* to make a Gift Aid claim. *This may form part of your Privacy Policy.*
- If provided, we will attempt to e-mail you any Gift Aid correspondence. If however you wish to receive a physical letter, please tick here ☐
- Marketing/Interests preferences.
- Admin check boxes (E.G - Inserted By, Donor ID, etc.)
- Signature & date capture for the agency agreement.
- Opt in to receive a End of Year letter (De Minimis)
- A web link to the full terms & conditions (E.G – Visit www.charity.co.uk/gadform.pdf for copy of our T&Cs)

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What Is An Agency Agreement

- This is where a charity agrees to sell a donor's goods on their behalf.
- When the goods have been sold, this is converted into cash.
- To operate this service the charity may charge a fee (Known as the commission).
- If a charity or trading company is VAT registered, VAT should be paid on the commission.
- Both the Commission and VAT should be deducted from the sales value. Gift Aid can only be claimed on the net sales value.

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Agency Agreement Fee Example

	Sale of goods	£100.00
1%	Commision	£1.00
20%	VAT	£0.20
		£98.80
25%	Gift Aid	£24.70

RETAIL GIFT AID

Commission

- The commission is decided based upon “Business Activity” (E.G – Cleaning an item, rotating stock, wages).
- Commission generally varies between 1% - 5%.
- Higher commissions could cost you more.

	Sale of goods	£100.00
50%	Commision	£50.00
20%	VAT	£10.00
		£40.00
25%	Gift Aid	£10.00

RETAIL GIFT AID

Cash Donations – 1 of 2

Typically there are two types of GAD forms

Cash GAD Forms

Charity Gift Aid Declaration – single donation	
<p>Boost your donation by 25p of Gift Aid for every £1 you donate</p> <p>Gift Aid is reclaimed by the charity from the tax you pay for the current tax year. Your address is needed to identify you as a current UK taxpayer.</p> <p>In order to Gift Aid your donation you must tick the box below:</p> <p><input type="checkbox"/> I want to Gift Aid my donation of £_____ to:</p> <p>Name of Charity _____</p> <p>I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax in the current tax year than the amount of Gift Aid claimed on all my donations it is my responsibility to pay any difference.</p> <p>My Details</p> <p>Title _____ First name or initial(s) _____</p> <p>Surname _____</p>	

Retail GAD Forms

Charity Gift Aid Declaration – <i>When goods are sold by, and the proceeds gifted to, charities</i>	
<p><i>(This template includes the minimum requirements for a Gift Aid declaration to be valid; those items highlighted in BOLD are mandatory to meet HMRC requirements as detailed in paragraph 3.6.2 of the HMRC guidance. The text can be varied or added to, however, to meet the charity's own requirements)</i></p> <p><i>This declaration MUST be used in conjunction with an Agency Agreement to be valid for Gift Aid purposes.</i></p> <p><i>Gift Aid can be reclaimed by the charity from the tax you pay for the current tax year.</i></p>	
Name of Charity	_____
Donor Details	
Title	_____
First name or initial(s)	_____
Surname	_____
Home Address	_____

Post Code	_____

RETAIL GIFT AID

Cash Donations – 2 of 2

Retail Gift Aid declaration forms can be used for cash donations



Cash Gift Aid declaration forms cannot be used for retail donations



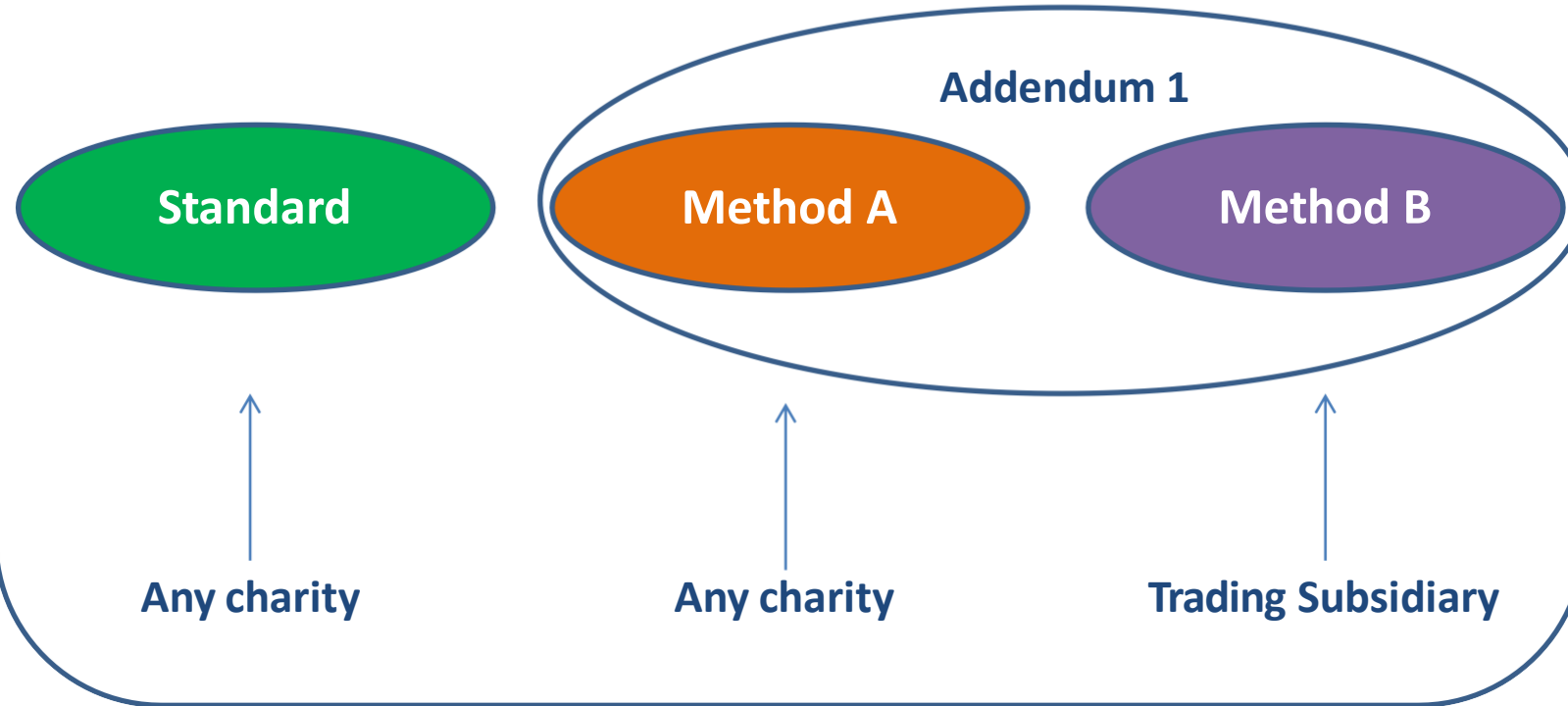
Be careful not to double claim (E.G – Through CRM and EPoS system)



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Gift Aid Methods

There are three different Gift Aid methods.
Not all methods are available to all charities.



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Gift Aid Methods – Standard – 1 of 2

Standard

- In order to claim any amount of Gift Aid, a letter must be written/e-mailed to the donor.
- The charity must wait 21 days for their donor to respond before claiming the Gift Aid from HMRC.

RETAIL GIFT AID

Gift Aid Methods – Standard – 2 of 2

Standard

Example

	Sale of goods	£100.00
1%	Commision	£1.00
20%	VAT	£0.20
		£98.80
25%	Gift Aid	£24.70

In order to claim the £24.70 worth of Gift Aid from HMRC, the donor must be given the opportunity to claim their £98.80 back.

RETAIL GIFT AID

Gift Aid Methods – Method A – 1 of 2

Method A

- No “In Year” letter is required for net sales values **less than or equal** to £100.
 - For net sales values **less than or equal** to £100, Gift Aid can be claimed straight away from HMRC.
-
- In order to claim Gift Aid on net sales values **above** £100, a letter must be written/e-mailed to the donor.
 - The charity must wait 21 days for net sales values **above** £100, for the donor to respond before claiming the Gift Aid from HMRC.

RETAIL GIFT AID

Gift Aid Methods – Method A – 2 of 2

Method A

Example 1 (Below £100.00)

	Sale of goods	£50.00
1%	Commision	£0.50
20%	VAT	£0.10
		£49.40
25%	Gift Aid	£12.35

The charity can claim the £12.35 worth of Gift Aid straight away from HMRC. Method A waivers the donors right to claim back £49.40.

Example 2 (Above £100.00)

	Sale of goods	£150.00
1%	Commision	£1.50
20%	VAT	£0.30
		£148.20
25%	Gift Aid	£37.05

In order to claim the full £37.05 (£24.70 + £12.35) worth of Gift Aid from HMRC, the donor must be given the opportunity to claim their £48.20 back.

RETAIL GIFT AID

Gift Aid Methods – Method B – 1 of 2

Method B

- No “In Year” letter is required for net sales values **less than or equal** to £1000.
 - For net sales values **less than or equal** to £1000, Gift Aid can be claimed straight away from HMRC.
-
- In order to claim Gift Aid on net sales values **above** £1000, a letter must be written/e-mailed to the donor.
 - The charity must wait 21 days for net sales values **above** £1000, for the donor to respond before claiming the Gift Aid from HMRC.

RETAIL GIFT AID

Gift Aid Methods – Method B – 2 of 2

Method B

Example 1 (Below £1000.00)

	Sale of goods	£950.00
1%	Commision	£9.50
20%	VAT	£1.90
		£938.60
25%	Gift Aid	£234.65

The charity can claim the £234.65 worth of Gift Aid straight away from HMRC. Method B waivers the donors right to claim back £938.60.

Example 2 (Above £1000.00)

	Sale of goods	£1,050.00
1%	Commision	£10.50
20%	VAT	£2.10
		£1,037.40
25%	Gift Aid	£259.35

In order to claim the full £259.35 (£247.00 + £12.35) worth of Gift Aid from HMRC, the donor must be given the opportunity to claim their £37.40 back.

RETAIL GIFT AID

Gift Aid Methods – End of Year Letter – Addendum 1

Method A

Method B

From April 2016:-

- Under Addendum 1 (Method A & B) the charity is required to send a “End of Year” letter advising donors how much Gift Aid has been claimed during HMRC’s tax year*.
- The “End of Year” letter must be sent between 6th April – 31st May*.
- “End of Year” letters are only required for those donors where a Gift Aid value has been claimed – No Gift Aid Claimed = No Letter.

* De Minimis could change the frequency of these letters.

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Gift Aid Methods – End of Year Letter – De Minimis – 1 of 2

Method A

Method B

From April 2020:-

- Charities will have the option of only writing/e-mailing donors during the “End of Year” letter where the net sales value is **equal or above** £20.
- If adopted, all donors should be written/e-mailed to advising of the change. Donors must be given the opportunity of still receiving a once a year, “End of Year” letter.
- If adopted, all new donors signing a GAD should be given the opportunity of still receiving a once a year, “End of Year” letter.
- Example wording you may wish to include on your GAD:-
I understand that as (Name of Charity- Method A) or (Name of Trading Subsidiary- Method B) apply a de minimis limit that they will send me an annual letter subject to the Net Sales Proceeds reaching £20 in a single tax year, or every three years whichever comes first, even if monies raised are less than £100 (METHOD A) or £1,000 (METHOD B), detailing the Net Sales Proceeds and Gift Aid reclaimed in that tax year. I also understand that an end of year tax letter can be supplied on request.

RETAIL GIFT AID

Gift Aid Methods – End of Year Letter – De Minimis – 2 of 2

Method A

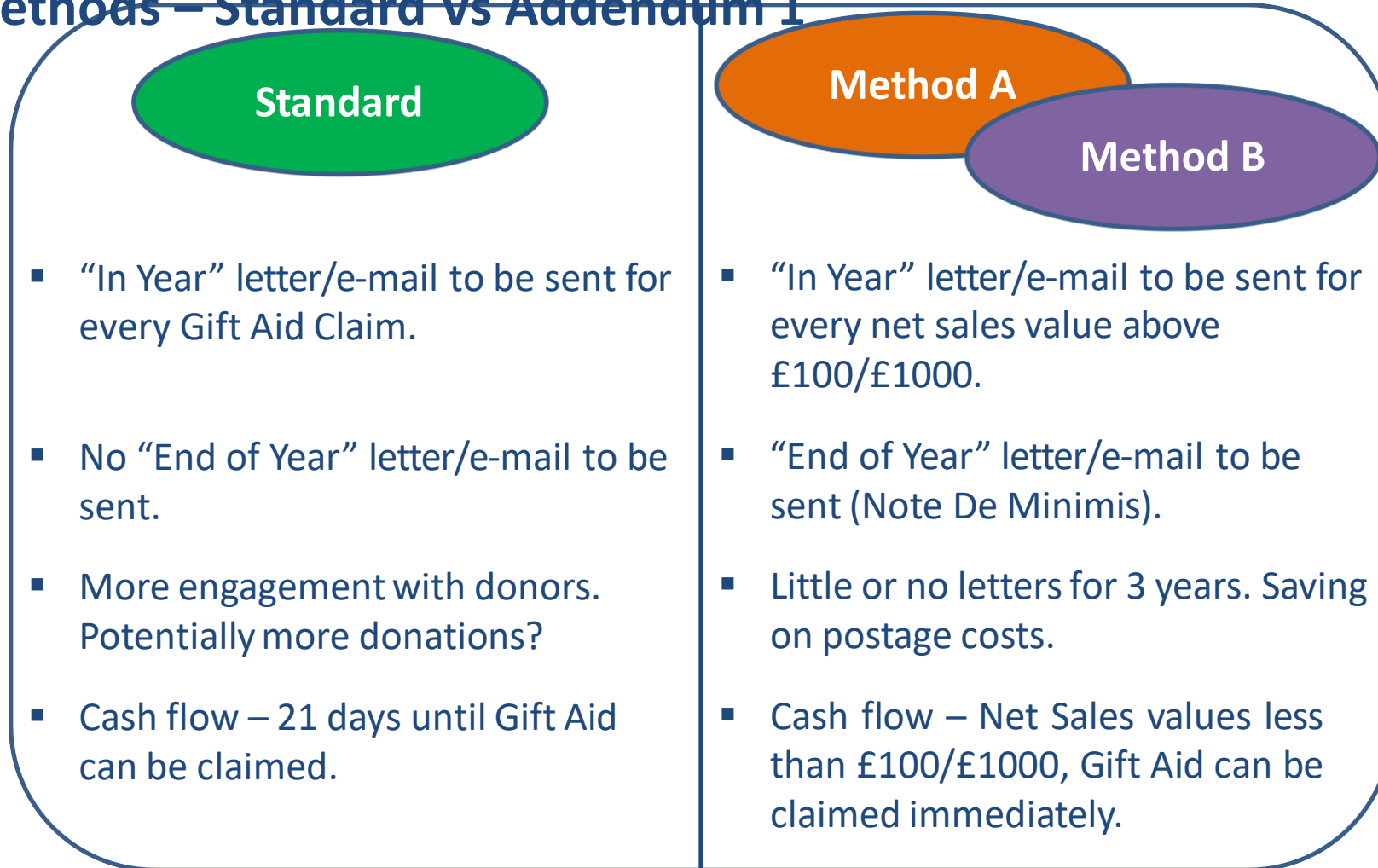
Method B

<u>Example 1</u>			<u>Example 2</u>		
Tax Year	Sales Value	Year End Letter Value	Tax Year	Sales Value	Year End Letter Value
2022-2023	£15.00	N/A	2022-2023	£19.99	N/A
2023-2024	£18.00	N/A	2023-2024	£21.00	£19.99 + £21.00
2024-2025	£19.99	£15.00 + £18.00 + £19.99	2024-2025	£15.00	N/A
2025-2026	£19.00	N/A	2025-2026	£18.00	N/A
2026-2037	£19.99	N/A	2026-2027	£19.99	£15.00 + £18.00 + £19.99

- The “End of Year” letter must include values from previous years.
- If the donors goods sell for less than £20.00 in 2019-2020, the “End of Year” letter should be sent in 2021/2022.
- A new 3 year period starts again once a letter has been written/e-mailed.
- No “End of Year” letter is needed if the donors goods do not sell over 3 years.

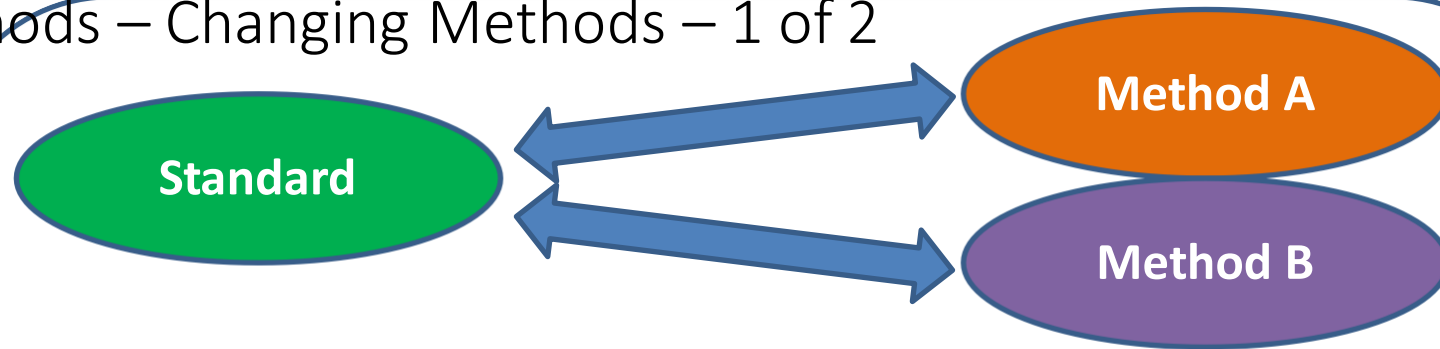
RETAIL GIFT AID

Gift Aid Methods – Standard Vs Addendum 1



RETAIL GIFT AID

Gift Aid Methods – Changing Methods – 1 of 2



- Contact your EPoS provider or relevant supplier (If applicable).
- All donors must be notified and given 30 days to opt out.
- Opt out or cancel (If your GAD's T&C's allow this) any donors who do not wish the convert to the new method.
- Train all relevant staff (Both at head office and store) and update training materials.
- Update your GAD and Agency Agreement form with the new wording and details (Note De Minimis).
- Prepare your new wording for “In Year” and “End of Year” letters.
- Set a moving date for new donors and existing donors.

RETAIL GIFT AID

Gift Aid Methods – Changing Methods – 2 of 2

Example Wording (Excluding De Minimis Information)

We are writing to let you know that we are changing the method we use to claim your Gift Aid. We are really pleased with these changes as they will significantly reduce administration costs allowing us to invest more into helping our patients.

When you kindly signed up to our Gift Aid on Donated Goods scheme you entered into an Agency Agreement with us. In its simplest form, this means we:-

- Sell your goods on your behalf.
- Write to you to let you know how much we raised from the sale of those goods.
- Invite you to donate the net sales proceeds of those goods to us.
- Claim 25% in Gift Aid on the net sales proceeds when you donate them to us.

So, for example, if you donate an item which we then sell for £10, Charity-METHOD A) OR (Name of Trading Subsidiary – METHOD B) can claim an additional £2.50 from HMRC (less 2.5% commission and VAT). This means that your donation has now helped us raise just under £12.50 at no cost to you.

How the changes may affect you

Under the new method, the following changes will apply:-

- We will no longer be required to write to you if the net sales proceeds **do not** exceed £100 within any tax year (6 April to 5 April).
- Any net sales proceeds under £100 in the tax year will be donated to the charity automatically.
- Where the net sales proceeds **do** exceed £100 in the tax year, we will write/email to ask if you would like to donate the net sales proceeds over and above the initial £100
- In any event, an annual letter will be sent to you in accordance with the HMRC guidelines to let you know the value of your Gift Aided donations

What you need to do

If you would like to join the new Agency Agreement, **you need do nothing further**. After 30 days from the date of this letter, you will be transferred to the new Agency Agreement automatically.

If you **do not** wish to participate in the Gift Aid scheme under the new method, please let us know within the next 30 days and we will remove you from the scheme with immediate effect.

RETAIL GIFT AID

Trading Subsidiary – 1 of 2

What structure does your charity have?



Stand alone charity
or parent company



Profits paid
to charity



Trading arm of
the charity

RETAIL GIFT AID

Trading Subsidiary – 2 of 2

Having a trading company...

- Helps become risk averse, protecting certain assets.
- Could help you protect the amount of Corporation Tax (Tax on selected profits) you pay to HMRC.
- Allows you to run Addendum 1 – Method B of Retail Gift Aid.

Method B

More information can be found here - <https://tinyurl.com/pf83b56>

RETAIL GIFT AID

Trading Types – 1 of 3

Small Trading Tax Exceptions

Charity's gross annual income	Maximum permitted small trading turnover
Under £32,000	£8,000
£32,001 to £320,000	25% of your charity's total annual turnover
Over £320,000	£80,000

More information can be found here - <https://tinyurl.com/pf83b56>

RETAIL GIFT AID

Trading Types – 2 of 3

Primary Purpose Trading

“Selling goods or services that directly further your charity’s aims as they are stated in your governing document is known as primary purpose trading.”

Primary Purpose typically applies to the selling of:-

Donated Goods

Donated goods are tax exempt & as they are donated for free, typically risk free.

More information can be found here - <https://tinyurl.com/rp2q35u>

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Trading Types – 3 of 3

Non Primary Purpose Trading

“You can also sell goods or services purely to raise funds: this is non-primary purpose trading. This kind of trading has no direct link to your charity’s aims.”

Non Primary Purpose typically applies to the selling of:-

New Goods

Agency Agreement Commission

New goods & the **agency agreement** are subject to tax. New goods and services are deemed as high risk.

More information can be found here - <https://tinyurl.com/rp2q35u>

RETAIL GIFT AID

GDPR – SAR

SAR – Subject Access Request

An individual has the right of access a copy of their personal data as well as other supplementary information held. This includes any Personal Identifiable Information (PII) captured during the Gift Aid process. This should typically be provided within 1 month.

ico.org.uk



RETAIL GIFT AID

GDPR – RTBF

- **RTBF – Right To Be Forgotten**

- An individual has the right to have their personal data erased. Details should be erased unless you have a legal obligation to keep such records (6 years for submitted Gift Aid claims). Erasure should typically be done within 1 month.

ico.org.uk



RETAIL GIFT AID

GDPR – “To Tick or Not To Tick”



Marketing Letters



Marketing E-mails

- Automatically opting people into content is a GDPR “no no”.
- “Legitimate Interests” could be used as a way to contact people who may not have previously agreed to receiving content by mail – Exercise caution.
- Individuals should be given the opportunity to opt out of receiving communications – be specific however (E.G -Marketing)
- Be cautious about not upsetting your donors. Make things simple.

ico.org.uk



GDPR
General Data
Protection Regulation

On the shop floor

SHOP FLOOR

Notice/Poster Disclosure

Charities should have a disclosure poster/sign on shop floor or within the shops window.

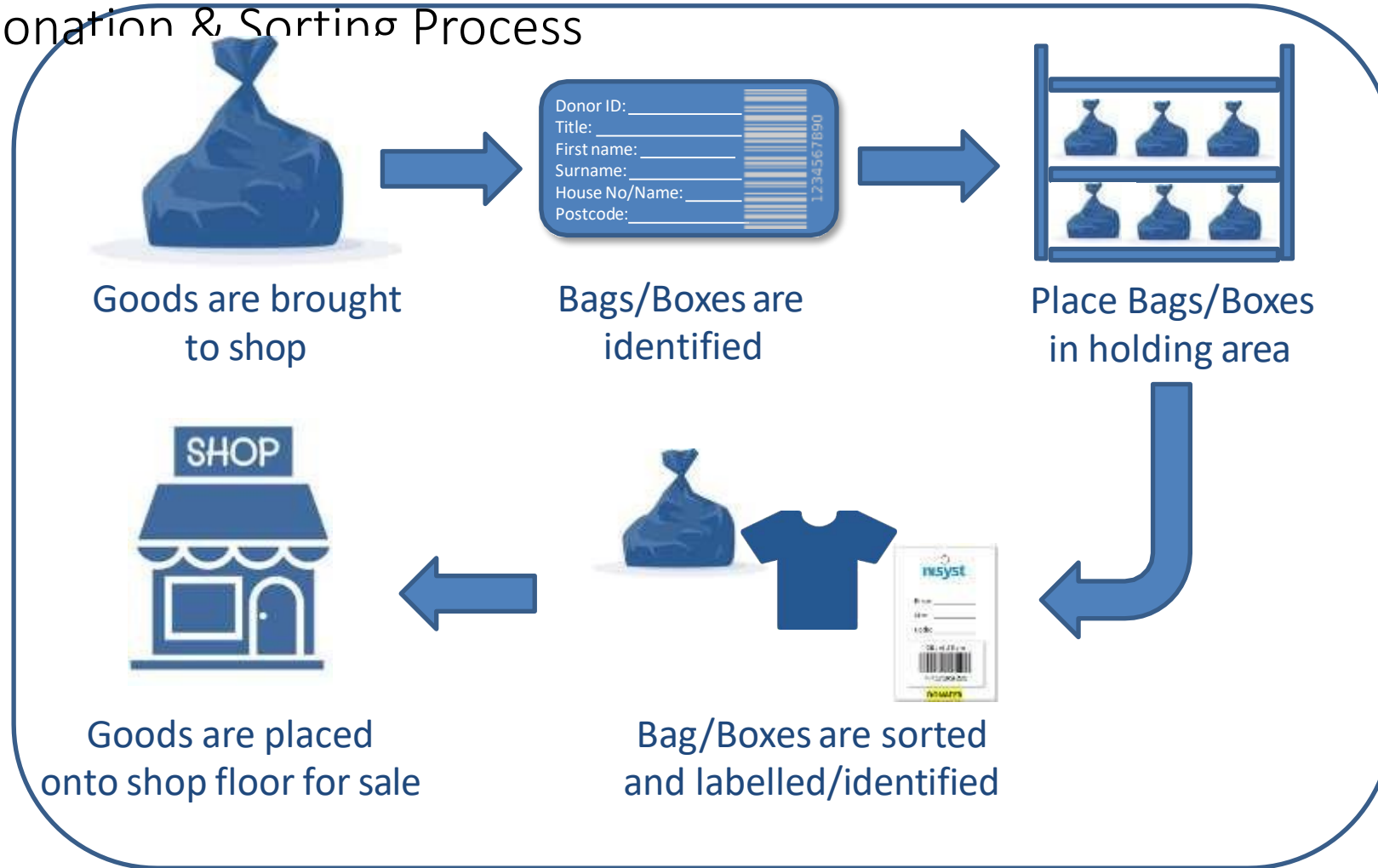
Gift Aided goods should be clearly identifiable. Make reference to how they are identifiable within the poster/sign.

HMRC Ref - 3.42.22



SHOP FLOOR

Example Donation & Sorting Process




SHOP FLOOR

Donation & Sorting Process

On Donation

- Identify a donors bags/boxes with a donor ID label/barcode.
- If hand writing a donor ID label, be sure to capture all relevant information (Surname, Postcode, etc.).
- New donors - Have your GAD form / tablet ready to sign up.
- New donors – Have your Donor ID / Key Fob's ready for a new sign up (If used).
- If a donor thinks they are a donor –
 - check.
- Space permitting – place bags into a
 - Gift Aid holding area/pens.

On Sorting

- Prior to sorting make sure to have a clear working area – avoid cross contamination.
- Identify sellable items with a label linking back to the original donor (E.G – Donor ID label).
- Be mindful of steaming thermal
 - labels.
- Be sure to check for previously donated labels (E.G - Re-donated books).
- At any point if you are unsure if items belong to a donor, **DO NOT GIFT AID IT.** 

SHOP FLOOR

New Donor Sign Up – 1 of 4

Remember...

- Items can only be Gift Aided by individual person (E.G - Mr & Mrs cannot sign up to Gift Aid as a couple).*
- Companies can donate but not Gift Aid (Typically known as generated stock).
- The donor must be a UK tax payer (Don't dismiss people who are retired).
- The goods must be owned by the person who is donating them (Be careful of house clearances, probate and people donating on behalf of others).
- Consider having a separate "status" for volunteers and staff.



*HMRC Ref - 3.10.2

SHOP FLOOR

New Donor Sign Up – 2 of 4

Oral & Written Confirmation

- A letter/e-mail should be sent giving 30 days to change their mind (Cancel).
- The letter/e-mail should include – Donor details (Name & Address), explanation about paying enough tax, date of oral declaration, date the charity sent the letter/e-mail.
- Keep record of all the above for auditing purposes.
- Cancelled GAD's should be treated as though the donor never sign up (Repay Gift Aid if already claimed).
- Gift Aid can only be claimed once the letter/e-mail has been sent.



SHOP FLOOR

New Donor Sign Up – 3 of 4

Gift Aid Declaration Storage

- Can be stored in paper format or electronically.
- GADs can be stored at store or head office.
- Be GDPR compliant – Keep out of public view.
- Keep under lock and key/password protected.

Remember

- If you plan to **claim** Gift Aid against a donor, you must have a GAD.
- If Gift Aid has been **claimed** against a donor, you must store the GAD for 6 years.



GDPR
General Data
Protection Regulation



SHOP FLOOR

New Donor Sign Up – 4 of 4



Take a common sense approach...

"My wife has asked me to bring in her old clothes"

"I've so much more time on my hands now I'm retired"

SHOP FLOOR

Gift Aid Sales & Refunds

- Keep a record of all donor sales (Record Barcode/Donor ID).
- Keep a record of all sales values.
- If discounted, Gift Aid can only be claimed on the discounted price (E.G – Was: ~~£10~~, Now £5 – Gift Aid is claimed on the £5 value).
- Be cautious of BOGOF (Buy one get one free) promotions and over claiming on Gift Aid.
- Be cautious about quantity/multiple sales – Not all items may have been donated by the same donor.
- Refunds do not have been taken off a Gift Aid claim.
- If refunded, do not claim Gift Aid again – You can only claim once.



SHOP FLOOR

Gift Aid On Rags – 1 of 3

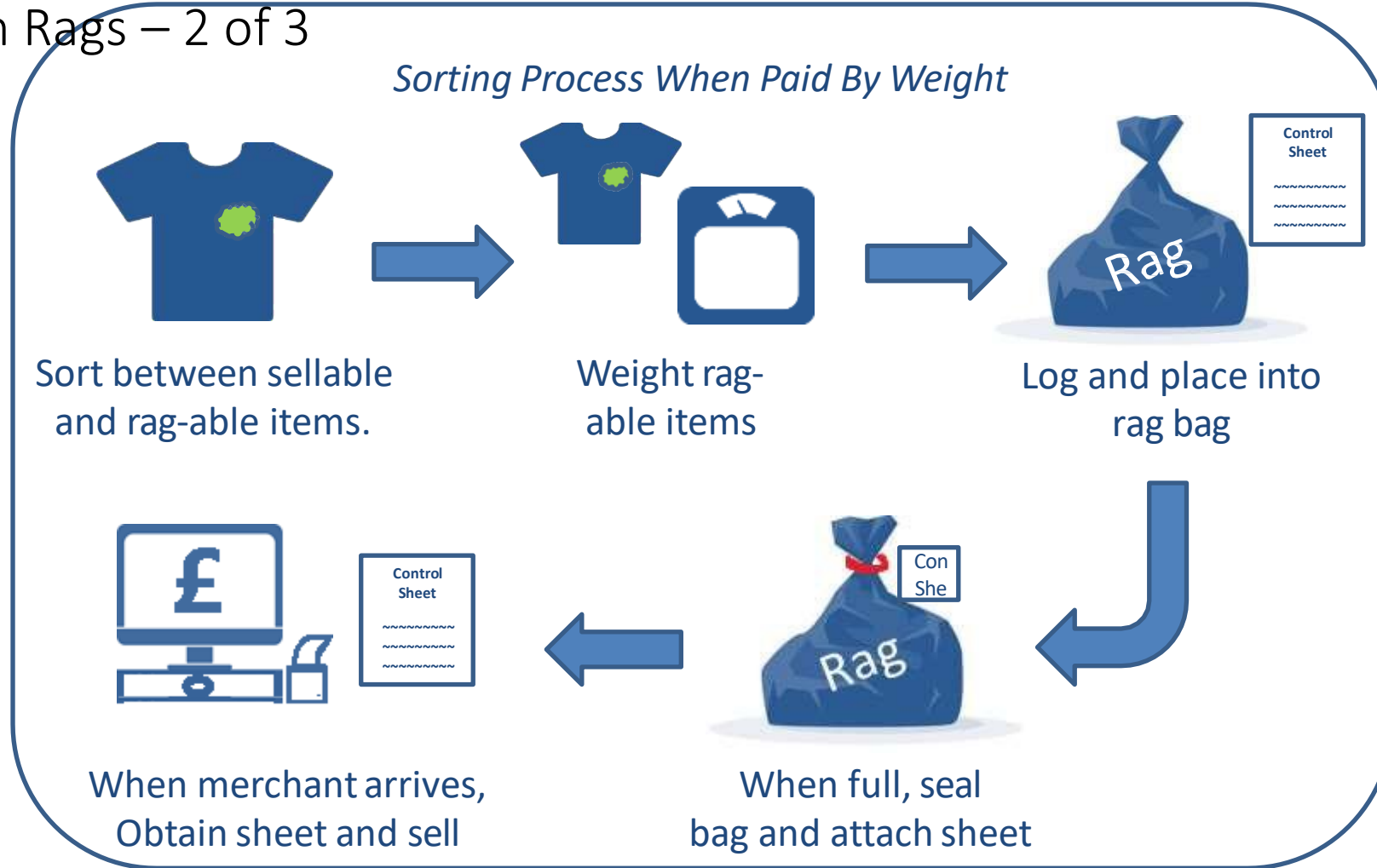
Gift Aid can be claimed on goods sold to a rag merchant

- Depending on the way your rag merchant pays for goods will depend on the way you log the sale.
- If you are paid £x amount per item, process the sale in the normal manner (E.G – 10p per DVD).
- If you are paid £x amount per KG, this has to be logged differently...



SHOP FLOOR

Gift Aid On Rags – 2 of 3



SHOP FLOOR

Gift Aid On Rags – 3 of 3

Control Sheet and Auditing

- You must have an auditable control sheet.
- The control sheet should include Donor ID/Barcode and weight.
- Your EPoS system or control sheet should record the sales value.
- Keep records for 4 years.



SHOP FLOOR

e-commerce

*Gift Aid can only be claimed on the amount **you receive**.*

Selling Price	£100.00
Selling Fee	£8.00
Transaction Fee	£2.00
Amount Received	£90.00

Don't forget to include your "Shop Floor"
disclosure notice in your ads.



SHOP FLOOR

Training – 1 of 2

If you are involved with Gift Aid you should be trained

- Training shouldn't just be for Head Office staff, it should include store managers and volunteers.
- Everyone should understand of Gift Aid works. This includes if a donor does not pay enough tax, the donor maybe liable to pay it back.
- Records and evidence should be kept of who and how individuals where trained.



HMRC Ref – 3.42.29

SHOP FLOOR

Training – 2 of 2

It's time for a...

Quiz

... and the answers

Admin confidence

ADMIN CONFIDENCE

Notifications

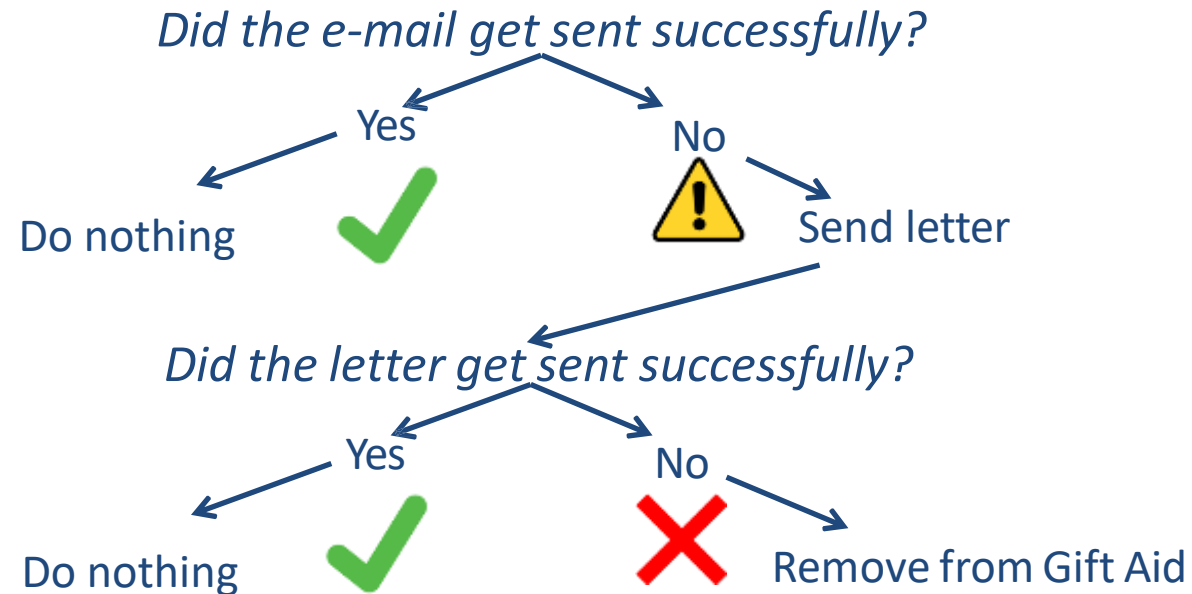
- Gift Aid notification are compulsory and not optional.
- Depending on your donor marketing preferences,
 - promotional/marketing information should be sent separately.
- Specific wording must be used – Templates can be found online.
- Template wording in italics is compulsory and cannot be changed.
- Notifications can be sent by post or e-mail.
- Logs should be kept when a notification has been sent out.
- Logs should be kept of the wording used on each letter generated (Keep a sample).



ADMIN CONFIDENCE

Failed Notification

- Be sure to monitor inbox for failed/bounced back e-mails.
- If an e-mail fails to be sent, print a letter (Ask for correct e-mail?).
- If a letter fails to be delivered, update donors record “status” and do not claim Gift Aid (On re-donation ask for correct address?).



ADMIN CONFIDENCE

Notifications – Standard Method

Standard

Template - <https://tinyurl.com/o8arwzz>

Letter should include:-

- Net value (£XX.XX) – The net sales value minus commission and VAT.
- Gift Aid being claimed (£YY.YY).
- Total amount of Gift Aid claimed within the HMRC financial year (£ZZ.ZZ)
- Donors should be given 21 days to claim Net value back prior to Gift Aid being claimed by charity.

Template Letter for Gift Aid Claim – Standard Method

This template is for charity shops to use to advise donors of the proceeds of sale under the Standard Method. For guidance on when to use this letter and how to operate the retail Gift Aid Scheme, follow the link at the end of the letter.

Please note- *the text in italics is compulsory.*

Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. *You agreed that we would contact you to advise you how much we raised from the sale of your goods.*

I am pleased to tell you that proceeds from selling your goods have raised £XX.XX (net of commission and VAT). To donate this sum of £XX.XX to our charity you need do nothing further. This will allow the Charity to reclaim an additional £YY.YY in Gift Aid in the tax year to 5 April YYYY.

If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the money raised to our charity and, once again, we thank you for your support.

Please also contact us within 21 days if:

- a) *you expect to pay less than £ZZ.ZZ (cumulative gift aid claimed in tax year) in UK Income and / or Capital Gains Tax in this tax year to meet the Gift Aid amount claimed back by the charity or*
- b) *your personal details, such as name and address, have changed, or you wish to cancel your gift Aid declaration.*

If you have paid insufficient tax to meet the Gift Aid claimed by the charity HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Method A – In Year

Method A

Template - <https://tinyurl.com/qbwo7qb>

Letter should include:-

- Net value (£XX.XX) – The net sales value in excess of £100, minus commission and VAT.
- Gift Aid being claimed (£YY.YY) in excess of the £100 net sales value.
- Total amount of Gift Aid claimed within the HMRC financial year (£ZZ.ZZ)
- Donors should be given 21 days to claim Net value back prior to Gift Aid being claimed by charity.

In-Year Template letter for Gift Aid notifications for the first sale that exceeds the £100 limit and any subsequent sales thereafter - Method A

This template is for charity shops to use to advise donors if the proceeds of sale under the Method A are more than £100 and they make subsequent sales. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- *the text in italics is compulsory.*

Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. *You agreed that we would contact you if your goods sell for more than £100 and each time further goods are sold within the tax year.*

I am pleased to tell you that proceeds from selling your goods raised a further £XX.XX in excess of £100 (net of commission and VAT). This will allow the Charity to reclaim an additional £YY.YY in Gift Aid.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the £XX.XX raised to our charity and, once again, we thank you for your continued support.

Please also contact us within 21 days if:

- a) you expect to pay less than £ZZ.ZZ (the cumulative gift aid claimed year to date) in UK Income and / or Capital Gains Tax in this tax year to cover the Gift Aid amount claimed back by the charity or*
- b) your personal details, such as name and address, have changed or if you wish to cancel your Gift Aid declaration.*

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Method A – End of Year – 1 of 2

Method A

Template - <https://tinyurl.com/ppytm9q>

Letter should include where net sales values are less than or equal to £100:-

- Net value (£XX.XX) – The net sales values within the HMRC financial year, minus commission and VAT.
- Gift Aid claimed (£YY.YY) within the HMRC financial year.

Template Letter for Gift Aid at the end of tax year – Method A

This template is for charity shops to use to advise donors of the proceeds of sale under the Method A at the end of the tax year including cases where net sales proceeds are more than £100 and charities choose to notify donors at year end to confirm that donors wish to donate the excess over £100. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- the text in *italics* is compulsory.
Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. You agreed that we would contact you at the end of the tax year, which runs from 6 April to 5 April the following year, and let you know how much we raised from selling your goods.

Wording to be used where net sales proceeds are less than or equal to £100.

I am pleased to tell you that proceeds from selling your goods have raised £XX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YY.YY in the tax year to 5 April YYYY.

Wording to be used where net sales proceeds are more than £100.

I am pleased to tell you that proceeds from selling your goods have raised £XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YY.YY in the tax year to 5 April YYYY.

Since the total proceeds are in excess of £100, we agreed that we would write to you to confirm that you wish to donate the additional sum of £ZZ.ZZ over and above the amounts in excess of £100 that you may have been notified of during the tax year and already agreed to donate to the charity.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the money raised to our charity and, once again, we thank you for your continued support.

We appreciate that your status as a taxpayer making Gift Aid donations can change from one tax year to the next.

Please contact us within 21 days if:

- a) you have paid less than £YY.YY in UK Income and / or Capital Gains Tax in this tax year to meet the Gift Aid amount claimed back by the charity or
- b) your personal details, such as name and address, have changed or if you wish to cancel your Gift Aid declaration.

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Method A – End of Year – 2 of 2

Method A

Template - <https://tinyurl.com/ppytm9q>

Letter should include where net sales values are above £100:-

- Net value (£XXX.XX) – The net sales values within the HMRC financial year, minus commission and VAT.
- Total amount of Gift Aid claimed within the HMRC financial year (£ZZ.ZZ)
- Donors should be given 21 days to claim Net value back prior to Gift Aid being claimed by charity.

Template Letter for Gift Aid at the end of tax year – Method A

This template is for charity shops to use to advise donors of the proceeds of sale under the Method A at the end of the tax year including cases where net sales proceeds are more than £100 and charities choose to notify donors at year end to confirm that donors wish to donate the excess over £100. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- the text in *italics* is compulsory.
Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. You agreed that we would contact you at the end of the tax year, which runs from 6 April to 5 April the following year, and let you know how much we raised from selling your goods.

Wording to be used where net sales proceeds are less than or equal to £100.

I am pleased to tell you that proceeds from selling your goods have raised £XX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YY.YY in the tax year to 5 April YYYY.

Wording to be used where net sales proceeds are more than £100.

I am pleased to tell you that proceeds from selling your goods have raised £XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YY.YY in the tax year to 5 April YYYY.

Since the total proceeds are in excess of £100, we agreed that we would write to you to confirm that you wish to donate the additional sum of £ZZ.ZZ over and above the amounts in excess of £100 that you may have been notified of during the tax year and already agreed to donate to the charity.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the money raised to our charity and, once again, we thank you for your continued support.

We appreciate that your status as a taxpayer making Gift Aid donations can change from one tax year to the next.

Please contact us within 21 days if:

- a) you have paid less than £YY.YY in UK Income and / or Capital Gains Tax in this tax year to meet the Gift Aid amount claimed back by the charity or
- b) your personal details, such as name and address, have changed or if you wish to cancel your Gift Aid declaration.

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Method B – In-Year

Method B

Template - <https://tinyurl.com/qzlxdivs>

Letter should include:-

- Net value (£XX.XX) – The net sales value in excess of £1000, minus commission and VAT.
- Gift Aid being claimed (£YY.YY) in excess of the £1000 net sales value.
- Total amount of Gift Aid claimed within the HMRC financial year (£ZZ.ZZ)
- Donors should be given 21 days to claim Net value back prior to Gift Aid being claimed by charity.

In-Year Template letter for Gift Aid notifications for the first sale that exceeds the £1,000 limit and any subsequent sales thereafter - Method B

This template is for charity shops to use to advise donors if the proceeds of sale under the Method B are more than £1,000 and they make subsequent sales. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- *the text in italics is compulsory.*

Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. *You agreed that we would contact you if your goods sell for more than £1,000 and each time further goods are sold within the tax year.*

I am pleased to tell you that proceeds from selling your goods raised a further £XX.XX in excess of £1,000 (net of commission and VAT). This will allow the Charity to reclaim an additional £YY.YY in Gift Aid in the tax year to 5 April YYYY.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the £XX.XX raised to our charity and, once again, we thank you for your continued support.

Please also contact us within 21 days if:

- a) you expect to pay less than £ZZ.ZZ (the cumulative gift aid claimed year to date) in UK Income and / or Capital Gains Tax in this tax year to cover the Gift Aid amount claimed back by the charity or*
- b) your personal details, such as name and address, have changed or if you wish to cancel your Gift aid declaration*

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Method B – End of Year – 1 of 2

Method B

Template - <https://tinyurl.com/q2be33e>

Letter should include where net sales values are less than or equal to £1000:-

- Net value (£XX.XX) – The net sales values within the HMRC financial year, minus commission and VAT.
- Gift Aid claimed (£YY.YY) within the HMRC financial year.

Template Letter for Gift Aid at the end of tax year – Method B

This template is for charity shops to use to advise donors of the proceeds of sale under the Method B at the end of the tax year including cases where net sales proceeds are more than £1,000 and charities choose to notify donors at year end to confirm that donors wish to donate the excess over £1,000. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- the text in italics is compulsory.
Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. You agreed that we would contact you at the end of the tax year, which runs from 6 April to 5 April the following year, and let you know how much we raised from selling your goods.

Wording to be used where net sales proceeds are less than or equal to £1,000.

I am pleased to tell you that proceeds from selling your goods have raised £XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY.

Wording to be used where net sales proceeds are more than £1,000.

I am pleased to tell you that proceeds from selling your goods have raised £X,XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY.

Since the total proceeds are in excess of £1,000, we agreed that we would write to you to confirm that you wish to donate the additional sum of £ZZ.ZZ over and above the amounts in excess of £1,000 that you may have been notified of during the tax year and already agreed to donate to the charity.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the money raised to our charity and, once again, we thank you for your continued support.

We appreciate that your status as a taxpayer making Gift Aid donations can change from one tax year to the next.

Please contact us within 21 days if:

- a) *you have paid less than £YY.YY in UK Income and / or Capital Gains Tax in this tax year to meet the Gift Aid amount claimed back by the charity or*
- b) *your personal details, such as name and address, have changed or you wish to cancel your Gift Aid declaration.*

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

I Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Method B – End of Year – 2 of 2

Method B

Template - <https://tinyurl.com/q2be33e>

Letter should include where net sales values are above £1000:-

- Net value (£XXX.XX) – The net sales values within the HMRC financial year, minus commission and VAT.
- Total amount of Gift Aid claimed within the HMRC financial year (£ZZ.ZZ)
- Donors should be given 21 days to claim Net value back prior to Gift Aid being claimed by charity.

Template Letter for Gift Aid at the end of tax year – Method B

This template is for charity shops to use to advise donors of the proceeds of sale under the Method B at the end of the tax year including cases where net sales proceeds are more than £1,000 and charities choose to notify donors at year end to confirm that donors wish to donate the excess over £1,000. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- the text in italics is compulsory.
Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. You agreed that we would contact you at the end of the tax year, which runs from 6 April to 5 April the following year, and let you know how much we raised from selling your goods.

Wording to be used where net sales proceeds are less than or equal to £1,000.

I am pleased to tell you that proceeds from selling your goods have raised £XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY.

Wording to be used where net sales proceeds are more than £1,000.

I am pleased to tell you that proceeds from selling your goods have raised £X,XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY.

Since the total proceeds are in excess of £1,000, we agreed that we would write to you to confirm that you wish to donate the additional sum of £ZZ.ZZ over and above the amounts in excess of £1,000 that you may have been notified of during the tax year and already agreed to donate to the charity.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the money raised to our charity and, once again, we thank you for your continued support.

We appreciate that your status as a taxpayer making Gift Aid donations can change from one tax year to the next.

Please contact us within 21 days if:

- a) *you have paid less than £YY.YY in UK Income and / or Capital Gains Tax in this tax year to meet the Gift Aid amount claimed back by the charity or*
- b) *your personal details, such as name and address, have changed or you wish to cancel your Gift Aid declaration.*

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.

I Yours faithfully/sincerely/truly,

ADMIN CONFIDENCE

Notifications – Addendum 1 – End of Year




Method A

Method B

- End of Year notifications should be sent between 6th April – 31st May.
- If Gift Aid has already been claimed (Either automatically for net sales values under £100/£1000 or using in an “In Year” notification letter), the donor cannot claim back the net sales value.

ADMIN CONFIDENCE

Notifications – Frequency, Timing & Donor Claims

- Gift Aid can be claimed as frequently as a charity requires – once a month, quarter, year.
- Consider only writing letters for larger sales values – how
 - much does a stamp cost?
- Remember donors can claim* their money back – Do
 - you really want to send letter during or after Christmas?
- Donor claims*  If the donor wishes, you  it have give all  the money back...

* Subject to Gift Aid method.

ADMIN CONFIDENCE

GOV.UK – 1 of 2



- Get recognised by HMRC. Sign up here – <https://tinyurl.com/jwcu7ax>
- Change of authorised person. ChV1 form here – <https://tinyurl.com/y2pqzhj6>
- Spreadsheet (ODS Format) can be found here - <https://tinyurl.com/y3sduegh> (Alternatively a paper based ChR1 can be ordered from HMRC)

ADMIN CONFIDENCE

GOV.UK – 2 of 2

HM Revenue & Customs

Gift Aid donations schedule

Get it right first time - how to complete this schedule:

- * Don't change the layout of the schedule or change the name of the worksheet.
- * Save the schedule as a .ods file not a Microsoft Excel .xls file, for example Gift Aid Jan 2014.ods.
- * If any section isn't applicable leave it blank. Don't enter N/A or HM.
- * Don't include blank spaces or other characters at the start or end of boxes.
- * Don't leave a blank row between donations.
- * Enter the house name or number and the postcode of all donors that live in the UK. For donors living abroad, enter their address and put X in the 'Postcode' column.
- * Stay within the maximum of 1,000 rows of donations.
- * Aggregated donations are donations under £20 from different people totalling less than £1000 per line. When you add together donations from the same donor, you must leave the aggregated donations column blank.
- * For sponsored events enter the participant's name and address, the date collected, and the total amount raised. Don't include any donations over £500 – these must be shown separately as normal Gift Aid donations.

Fig 1 shows an example of how to complete the schedule. For more information follow the link below. You must be connected to the internet to access the guidance.

[Charities online guidance](#)

Fig 1 Examples	Title up to 4 characters	First name or initial up to 35 characters with no spaces, or just enter an initial	Last name up to 35 characters	House name or number up to 40 characters	Postcode UPPER CASE and include a space	Aggregated donations a simple description up to 35 characters - DON'T enter Yes or Not Applicable	Sponsored event enter Yes or leave blank	Donation date (DD/MM/YY) DON'T use hyphens or full stops	Amount DON'T use a £ sign
	Prof	Henry	House Martin	152A	M99 2GD			24/03/15	240.00
	Mr	John	Smith	100	Champs Elysees, Paris X			24/05/15	250.00
	Miss	B	Chaudry	21	LA3 4FB	One off Gift Aid donations	Yes	31/03/15	880.00
								26/04/15	60.00

Enter details from here

Box 1 Earliest donation date in the period of claim. (DD/MM/YY)

Box 2 Previously over-claimed amount. Leave blank if none

Don't use a £ sign

For aggregated donations, this date may be earlier than any date entered in the donation date column of the donations schedule table below.

Make sure you show the tax not the donation. This amount will be deducted from your claim.

The total below is automatically calculated from the amounts you enter in the schedule:

Total donations: 40.00

Donations schedule table

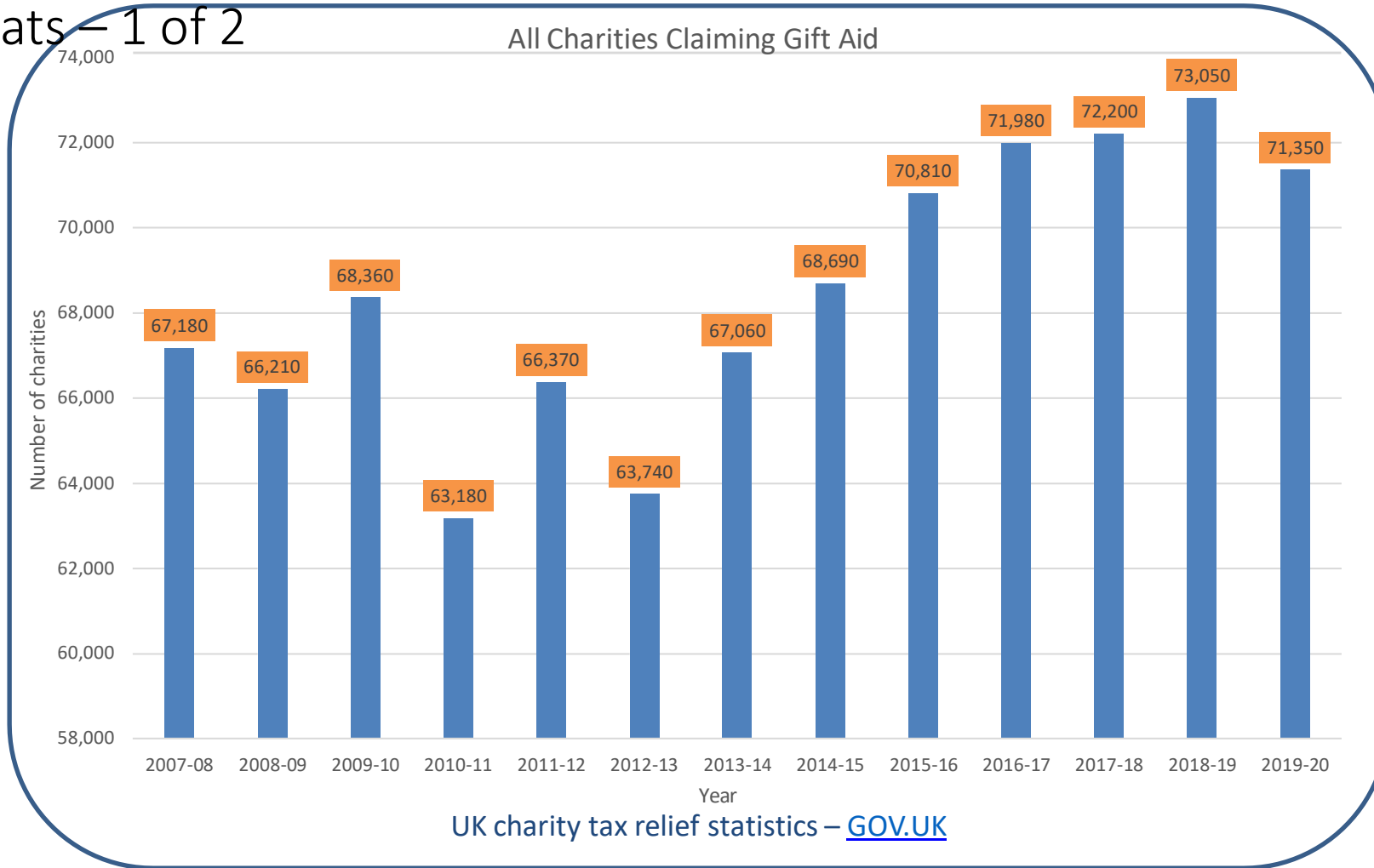
Item	Title	First name	Last name	House name or number	Postcode	Aggregated donations	Sponsored event (Yes/blank)	Donation date (DD/MM/YY)	Amount
1									
2									

HMRC Compliance

Keeping HMRC happy

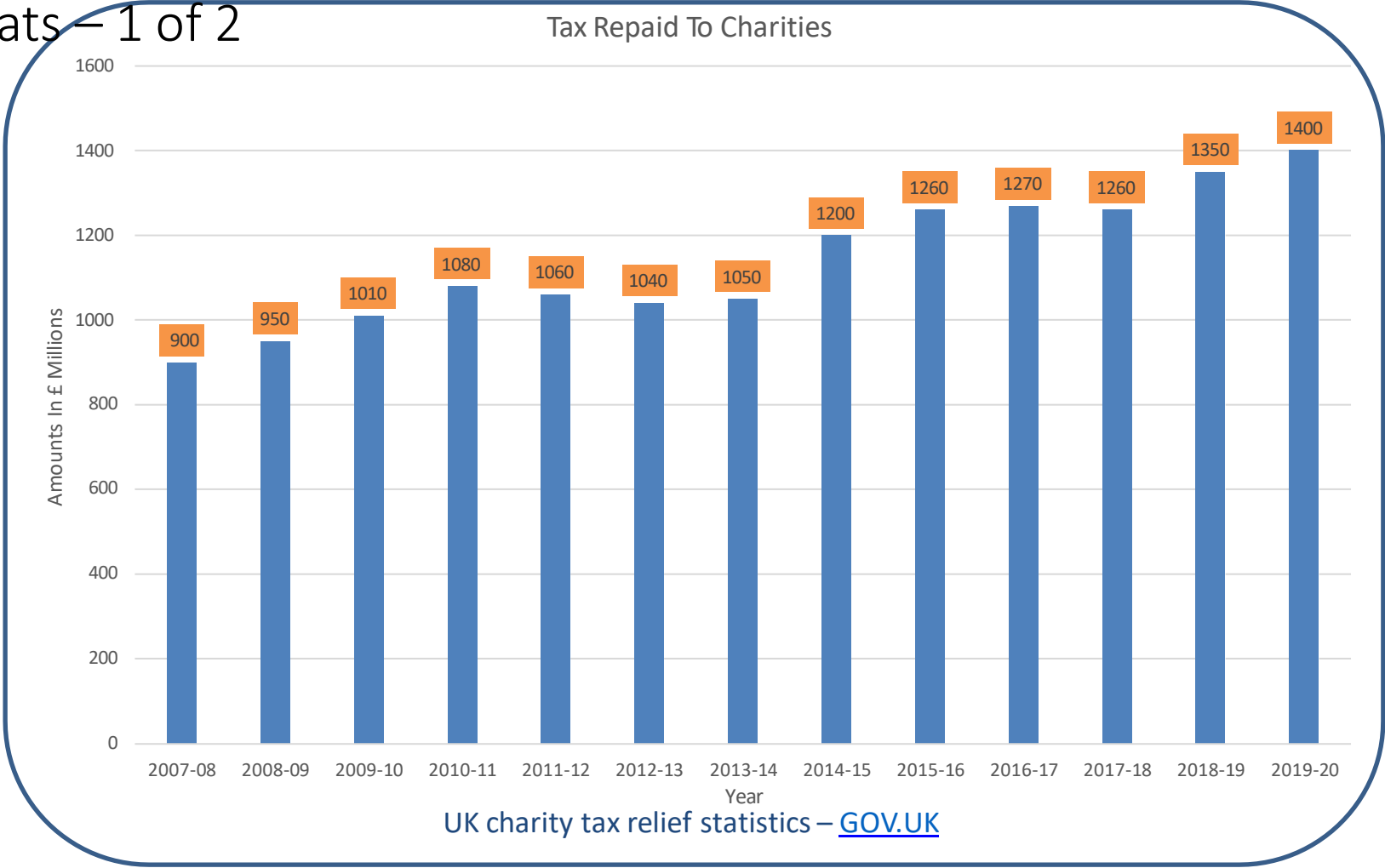
HMRC COMPLIANCE

HMRC – Stats – 1 of 2



HMRC COMPLIANCE

HMRC – Stats – 1 of 2



HMRC COMPLIANCE

Over Claimed Gift Aid

- In 2019 – 2020 tax year, HMRC paid out £1.40bn.
- In 2018 – 2019 tax year, HMRC paid out £1.35bn.
- Approx. 70m Claimed In Retail Gift Aid.
- Approx. 8%-10% is either incorrectly claimed from HMRC or insufficient tax paid been to HMRC.
- Approx. 8%-10% is claimed fraudulently.
- If the “Tax Gap” isn’t reduced, HMRC may impose stricter guidelines – Capturing Date of Births and National Insurance numbers.



HMRC COMPLIANCE

Will HMRC Audit Me? 1 of 2

How does HMRC choose who to audit?



Whistleblowing



Risk



Random

If you are chosen to be audited it doesn't necessarily mean your doing anything wrong. HMRC will usually issue a questionnaire prior to turning up.

HMRC Ref – 7.2 & 7.3

HMRC COMPLIANCE

Will HMRC Audit Me? 2 of 2

Where could the audit take place?



Shop



Head Office



HMRC Offices

Audits usually cover the entire business operation, not just Gift Aid.

HMRC COMPLIANCE

HMRC – Records & Audit – 1 of 3

An auditor will ask to...

- Evidence sales under the GA scheme against specific donors (Audit trail).
- Be able to produce a GAD form on demand (Physical or electronic).
- Produce a copy of any notification letters/e-mails sent (E.G – Standard Method/In Year/End of Year letter/e-mail notifications) – Template and log is usually acceptable.
- Produce a copy of any notification about changing Gift Aid method (E.G – Changing from Standard Method to Method A) – Template and log is usually acceptable.
- Show logs and/or notifications where a donor has requested an address change, cancellation or status change (E.G – Non tax payer).



HMRC COMPLIANCE

HMRC – Records & Audit – 2 of 3

- An auditor will ask to...

- Produce a copy of any Gift Aid declaration letters/e-mails sent to a donor after a oral/verbal consent was given – Template and log is usually acceptable.
- Show all previously submitted Gift Aid claims.
- Method B only – Show how net sales proceeds are transferred to the
 - charity (Finance team).
- See evidence of store and head office Gift Aid training records.
- Show your Gift Aid “Self Audit” records.
- Look at previous Gift Aid ‘...’



HMRC COMPLIANCE

HMRC – Records & Audit – 3 of 3

Common problems found...

- Missing Gift Aid Declaration forms.
- Missing information from GAD forms.
- Incorrect/Lack of wording on the GAD forms.
- Incorrect/Lack of wording on Gift Aid letters.
- Unable to show audit trail between donations and sales.



Usually an auditor will give you the opportunity to a “repair” a situation if possible (E.G – Re-sign A GAD if it’s missing).

HMRC COMPLIANCE

Internal Gift Aid Audit

- The charity must undertake regular or sample based internal self audits.
- Records of the audits should be stored.
- Can you show a clear audit trail for a sample of donors you have claimed against?

Gift Aid Audit Check List...



HMRC Ref - 3.42.29

HMRC COMPLIANCE

HMRC – Fines

Repaired error rate	Amount at stake	Action at Audit 1
Less than 4%	Less than £100	No recovery in year of audit or earlier years. No card issued.
Less than 4%	Less than £500	Recovery in year but not earlier years. No card issued.
Less than 4%	More than £500	Recovery in year but not earlier years. 'Yellow' card issued.
More than 4%	Less than £500	Recovery in year but not earlier years. 'Yellow' card issued.
More than 4%	More than £500	Recovery in year and earlier years

HMRC Ref - 7.12.2

HMRC COMPLIANCE

HMRC – The “Do’s and Don’ts”



Honesty

Be upfront & honest



Don't hide things

FOLLOW THE RULES

Follow the rules

Surgery & Questions

How To Improve Gift Aid – 1 of 3

How could you improve Gift Aid sales in your company?



SURGERY & QUESTIONS

How To Improve Gift Aid – 2 of 3

- Always ask – If you don't ask, you don't get! HMRC estimate £587m is not claimed.
- Gift Aid Champions – Nominate someone to be the go to person if there is ever a question.
- Train everyone – If people are confident, they are more likely to succeed.
- Sell the dream – What could that extra money do for your charity?
- Be positive – A positive store manager means a positive volunteer.
- Be inclusive – Ask the staff how would they go about improving Gift Aid?
- Personal opinions – Whatever your view on Gift Aid, give the potential donor a choice.

SURGERY & QUESTIONS

How To Improve Gift Aid – 3 of 3

- Preparation is key – Have all relevant media ready (GAD Form, Donor ID Cards, Pens, Clipboard, etc.).
- Don't dismiss elderly people – If they are retired, they may pay tax on there pensions.
- Consider implementing “Gift Aid Focus Weeks” – Putting more emphasis on Gift Aid than usual (Badges, T-Shirts, etc).
- Remind potential donors Gift Aid is **quick** and **simple** – All that's needed is a few details (E.G – Name, address & signature).
- It's “free” – It's costs the donor nothing if they've paid the sufficient tax and has no bearing on tax contributions.
- Parking at the rear – Make a sign and let people know where to drop off.
- Get a buzz – Can Gift Aid contributions be soft credited to a stores P&L sheet (As long as the P&L is not linked to pay).

SURGERY & QUESTIONS

Targets, League Tables & Incentives



Targets



League Tables



Incentives

HMRC Ref – 3.42.29

SURGERY & QUESTIONS

Tips – 1 of 2

- Someone passed away – Update all donor/supporter/CRM databases (E.G – RIP Lists).
- Someone's status changed – Update all donor/supporter/CRM databases (E.G – No longer a tax payer).
- Address changed – Update all donor/supporter/CRM databases (E.G – Someone's moved house).
- Consider postcode lookup tools – These can increase speed and accuracy at store and head office.
- Be careful about upcycling/refurbishing products.



SURGERY & QUESTIONS

Tips – 2 of 2

- Foreign addresses are fine – As long as you are a UK tax payer.
- Method A – You can choose a value **up to** £100.
- Method B – You can choose a value **up to** £1000.
- Where possible, a GAD form should be filled out by the donor.
- Cheque payments – Make sure the cheques have cleared before claiming Gift Aid.
- Volunteer expenses – If they choose to re-donate part or the full amount, this should be treated as though it is a new donation.
- Gift Aid must be a “Free Will” donation.
- HMRC will within 4 weeks for online submissions or within 5 weeks for postal submissions.



CONTACT INFORMATION

Details



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Thank you

(Don't forget your feedback forms)

DISCLAIMER

Disclaimer

This training guidance has been prepared by NISYST to assist in the training of shop staff and volunteers and administration staff regarding the operation of the Retail Gift Aid scheme.

This training guidance explains the importance of Gift Aid and the things that you need to do when making sales under the Retail Gift Aid scheme.

This guidance is based upon the HMRC requirements as at April 2020. This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice.

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