

Charitable Giving: HM Revenue & Customs Guidance

Gift Aid

Gift Aid increases the value of your donations to charities by allowing them to reclaim basic rate tax on your gift. If you pay higher rate tax you can claim extra relief on your donations. If you claim age-related allowances or tax credits, Gift Aid donations can sometimes increase your entitlement.

How Gift Aid works

The Gift Aid scheme is for gifts of money by individuals who pay UK tax. Gift Aid donations are regarded as having basic rate tax deducted by the donor. Charities take your donation - which is money you've already paid tax on - and reclaim the basic rate tax from HM Revenue & Customs (HMR&C) on its 'gross' equivalent - the amount before basic rate tax was deducted. Basic rate tax is 20 per cent, so this means that if you give £10 using Gift Aid, it's worth £12.50 to the charity.

How to make a donation to the Memorial Hall using Gift Aid

Great Alne & Kinwarton Memorial Hall is a registered charity (Charity No 522931). In order to make a Gift Aid donation to the Hall you'll need to make a Gift Aid declaration. A form for this purpose is attached. This can cover a single gift or a series of regular gifts for whatever period you choose. You can cancel your Gift Aid at any time.

Claiming back higher rate tax

If you pay higher rate tax, you can claim the difference between the higher rate of tax 40 and/or 50 per cent and the basic rate of tax 20 per cent on the total 'gross' value of your donation to the Hall. You can make this claim on your Self Assessment tax return, if you were sent one.

Telling HMR&C about your Gift Aid donations

It's important to keep a record of the total amount of your Gift Aid donations for each tax year. If you normally complete a tax return you can tell HMR&C about your Gift Aid donations by completing the section on Gift Aid payments. If you don't complete a return, you can give the details on form P810 Tax Review - available from your Tax Office.

Donating tax refunds to charity through your tax return

If you complete a tax return and are due a refund you can ask HMR&C to treat all or part of it as a Gift Aid donation. This can't be carried back to earlier periods.

Bequests

All bequests to qualifying charities are exempt from Inheritance Tax provided the gift was made to the charity outright. Great Alne & Kinwarton Memorial Hall is a qualifying charity.