

Charities Online Service Additional Guidance for Software Developers

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1 Introduction

This guide aims to cover areas that are not included elsewhere within the Charities Online Service tech pack.

2 Gift Aid and Tax Repayment Claims

2.1 How the sponsorship indicator works

If a Charity is claiming Gift Aid on donations from a sponsored event the Charity does not need to include individual donor details unless an individual donor gives £500 or more. Instead, they can choose to list the total amounts shown on each participant's sponsor form for which Gift Aid declarations have been made under the participant's information. In the fields 'DONOR-TITLE', 'DONOR-FORENAME' and 'DONOR-SURNAME' the Charity should show the name of the participant in the sponsored event. The address details must also be completed with the details of the participant's address in 'DONOR-ADDRESS' and 'DONOR-POSTCODE'. The charity must then enter 'Yes' in the 'SPONSORED-EVENT-IND' field to indicate that the information provided relates to the participant in the sponsored event.

This is an optional process and the charity may find it easier to provide all the donor details rather than using the sponsorship option. Whatever the charity chooses to do any individual donations of £500 or more must always be shown separately on the donor details sheet in the normal way.

2.2 How the aggregated donations box works

If a charity receives several eligible Gift Aid donations of £20 or less then they don't have to list all the names of the individual donors on the Gift Aid schedule (i.e. the 'DONATION' fields). Instead, they can add together donations of £20 or less on the Gift Aid schedule, subject to a maximum total of £1000 per line. This is known as 'aggregating donations.' In the 'AGGREGATED-DONATIONS' field the Charity should enter a meaningful description that will enable the charity to find the relevant Gift Aid declarations and payment records. If the aggregated donations were received over period of days or months then enter the date of the last payment(s) included in the aggregated total. This is an optional process and the charity may find it easier to provide all the donor details rather than aggregating the information. If the charity uses the 'AGGREGATED-DONATIONS' field there must not be any entries in the donor name and address fields.

2.3 Adjustments

Charities can use this field to make adjustments to the value of their claim where they have claimed too much in a previous claim. For example, this could take place where there was a mistake in the previous claim or where a donor revokes a Gift Aid Declaration that a charity had relied on as part of that earlier claim. The amount entered in the 'ADJUSTMENT' or 'GASDS-ADJUSTMENT' fields must be the amount of the excess tax relief or GASDS top-up payment that was previously claimed. The amount must not be the amount of donations or other taxed income that was previously claimed or GASDS donations on which the top-up payment was previously claimed. Entering an adjustment will reduce the value of the current claim and means that the charity does not have to make a separate payment to HMRC for the previous excess claim (provided this claim is for an amount that is large enough to clear the amount owed to HMRC). For example, a charity may have claimed an excess of £100 Gift Aid tax repayment on their previous claim and rather than return the money to HMRC they can adjust the amount they are claiming now to reduce it by £100 to reflect the previous claim's overpayment. A charity should not use these fields to reduce the current claim payment amount to below £nil.

An explanation must be entered in field 'OTHER-INFORMATION' to explain the nature of the adjustment and how it arose.

2.4 Removal of the ability to use Sub-funds

The format of the HMRC Charities Reference number will be up to 2 alphabetic characters followed by up to 5 numerical characters only. The Reference numbers of all charities and CASCs must not include /0, /1 or /2 after the 5 numerical characters. HMRC are writing to the charities that are affected by this.

3 Gift Aid Small Donations Scheme (GASDS)

3.1 GASDS Information

Since April 2013 charities and CASCs have been able to claim top-up payments of 25p for every £1 collected in small cash donations of £20 or less, up to a maximum of £5,000 of donations per tax year (6 April to 5 April). The maximum amount that be claimed is £1,250 per tax year.

Community Buildings

Charities (but not CASCs) that carry out their charitable activities in what are defined as “community buildings” can claim a further top-up payment on donations collected during charitable activities.

Connected Charities

To prevent charities from fragmenting into multiple charities to exploit the £5,000 per-charity allowance under the scheme, there is also a ‘connected charities’ rule. This means that charities that are controlled by the same people (Trustees) and have the same or very similar charitable purposes will share a single £5,000 limit between them.

Eligibility requirements

To be eligible for the Gift Aid Small Donations scheme a charity or CASC must have been established as a charity for tax purposes for 2 years and have made Gift Aid claims in 2 of the last 4 tax years to be eligible for the scheme. Charities & CASCs must continue to claim Gift Aid alongside the GASDS top-up payments to demonstrate continued good practice – referred to as ‘matching’. The matching rate is set at 10:1. For example, a charity claiming on the full £5,000 small cash donations allowance must claim tax back on £500 of Gift Aid donations received in the same tax year.

Time Limits for claiming a top-up payment

The time limits for claiming a top-up payment on small cash donations is different from the time limit for claiming tax back on Gift Aid donations. Charities & CASCs must make a claim within 2 years of the end of the tax year in which the donations were received e.g. a claim for the tax year ending on 5 April 2014 must be submitted to HMRC on or before 5 April 2016.

Claims can be made for the previous 2 tax years and the current tax year only. E.g.

Current Tax Year **Tax Year - 1** **Tax Year - 2** ~~**Tax Year - 3**~~ ***Out of date for claiming***

4 Collection Agents

4.1 Who can use the Collection Agent data fields?

HMRC authorises certain organisations to make a composite Gift Aid claim on behalf of multiple charities. These organisations are called Collection Agents and they should use the ‘COLL_AGENT’ fields when making their claims (i.e. ‘COLL-AGENCY-NUMBER’ and ‘COLL-AGENCY-CLAIM-NUMBER’) and can include multiple ‘CLAIM’ sections within their claim. Anyone who is not a Collection Agent who uses the ‘COLL-AGENT’ fields or includes multiple ‘CLAIM’ sections within a claim will have their claim rejected. All other agents and nominees should enter their details in the ‘AGENT_OR_NOMINEE’ fields.