**Gift Aid Frequently Asked Questions**

**What is Gift Aid?**

Gift Aid is a government scheme which is open to all charity supporters who pay UK Income and Capital Gains tax. For every pound you earn you pay 25p (or 20% basic rate of tax). By signing up to Gift Aid, every time you donate your charity can reclaim the tax you have paid based on the value of the donation you have made. So, a £10 donation from you enables charities to reclaim £2.50 which adds up to a valuable source of extra income.

**Am I eligible to sign up for Gift Aid?**

You're eligible if you're a UK taxpayer living anywhere in the world. However, you must have paid enough tax to cover the amount that all the charities you support would claim in Gift Aid in a tax year (6 April – 5 April the following year).

Even if you're not employed, you're still eligible for Gift Aid if you pay tax on any of the following:

* a personal or occupational pension
* bank or building society savings accounts
* rental income
* stocks and shares
* UK and overseas investment dividends

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Other taxes such as VAT and council tax do not apply.

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As the taxpayer, you're responsible for checking your eligibility for Gift Aid. Any tax shortfall is the responsibility of the taxpayer, so please speak to your accountant or HMRC if you are unclear on how much tax you have paid.

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**What donations are not eligible for Gift Aid?**

Any donation:

* from a non-UK taxpayer
* made on behalf of someone else or a group of people.
* made on behalf of a company.
* to a family member participating in an event where the charity is contributing to their costs and this breaks the HMRC benefits rules.
* made in return for goods, rights or services.

**How much tax do I need to pay to be eligible for Gift Aid?**

In one financial year you must have paid at least 25p in income or capital gains tax for every £1 you donate to charity. Every Income Taxpayer has a tax-exempt threshold before they start paying tax. So please ensure you are paying enough tax to Gift Aid your donations.

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**How do I sign up for Gift Aid?**

Simply tick the box on the donation form, complete a separate Gift Aid Declaration form or call our Fundraising Administrator on T: 01326 702342.

**Will I have to make a Gift Aid declaration again?**

No, once you sign up to Gift Aid your declaration will be ongoing and will cover any future donations you may make. Please notify us if your circumstances change and you no longer pay enough tax to cover your donations. We can also claim Gift Aid on any donations you may have made to us in the previous four years if you were paying tax in that time, just tick and date the Gift Aid Declaration.

**What if I donate to several charities and want to Gift Aid to all of them?**

You can do this by signing a declaration for each charity. As long as each tax year you will have paid at least the equivalent amount of tax that all the charities combined will be claiming, Gift Aid can be applied. It's your responsibility to repay any difference.

**How do I know if I pay UK income or capital gains tax?**

If any of the following applies to you:

* income tax is deducted from your salary before you receive it
* you pay tax after submitting a self-assessment form each year
* you have a taxable pension plan, savings (eg with a building society) or investment income
* you have paid capital gains tax (eg on the sale of a property or share)

If you're unsure of your eligibility for Gift Aid, please contact [HMRC](https://www.gov.uk/government/organisations/hm-revenue-customs/contact).

**What should I do if my tax status changes or I need/want to cancel my declaration?**

Please inform us:

* by phone: 01326 702342 (Monday to Friday, 9am to 5pm)
* by email: hello@childrenssailingtrust.org.uk
* or write to: Children’s Sailing Trust, Stable Court, Mawnan Smith, Falmouth

TR11 5JZ

**How would Gift Aid affect my tax?**

Signing up to Gift Aid doesn’t affect the tax you pay. We make the claim to HMRC on the tax you have already paid on your donations.

**I am a higher rate taxpayer**

As a higher rate taxpayer, when you donate the charity will claim against your donation at the basic rate of tax (currently 20%). However, the good news is you can claim the difference between the rate you pay and basic rate on your donation. It’s the same if you live in Scotland.

All you need to do is complete the charitable giving section on your self-assessment tax form.

Example:

You donate £100 to charity – the charity claim Gift Aid to make your donation £125. You pay 40% tax so you can personally claim back £25.00 (£125 x 20%).

If you don’t have to send a tax return, contact HMRC and ask for a P810 form. You’ll need to submit it by 31 January after the end of the previous tax year.

**What if I don't pay UK tax?**

Unfortunately, the scheme is only open to UK Taxpayers, so you're not eligible for Gift Aid. It's still worth letting us know so that we don’t ask you for this information again.

**I don’t pay tax but my husband/wife does. Can I Gift Aid through them?**

If you're able to donate using a joint bank account and your spouse is willing to sign a Gift Aid Declaration, your donations would be eligible for Gift Aid. Please contact us so that we can make a note of this information.

**Who will be able to access my Gift Aid information?**

Only HMRC and (input your charity name here). We do not share your information with anyone else, not even other family members, without your permission.

**Can Gift Aid be applied to event sponsorship?**

Sponsorship Gift Aid varies from event to event and the person you are sponsoring is responsible for establishing if donations made by people who are directly connected to the participant will qualify for Gift Aid.

The sponsorship form must be completed for a specific fundraising event, on a specific day. Each sponsor must provide their full name, home address and postcode to enable the Children’s Sailing Trust to reclaim the tax. We cannot accept joint sponsored donations. So, if you usually donate as a couple and are both taxpayers, please make sure you enter your own name and address details on separate lines.

Please note that the ‘date donation paid’ box is the date you the participant collect the money from the sponsor. You must complete this box before sending your sponsorship money to us.

We would be grateful if you could collect all donations as soon as possible in one payment. Please let us know if this is not possible by completing the question on the bottom of the form: “Are you expecting to collect any more sponsorship money”? Y/N.

**Happy fundraising!**