



**The Church of Scotland
Stewardship and Finance**

**Important information
for Kirk Sessions,
Congregational Boards
and Treasurers.**

Gift Aid Small Donations Scheme Case Studies

Case Study 1

Church Y has made annual Gift Aid claims for the last five years. It meets in its own building with a regular congregation of about seventy people.

Annual net gifts claimed under Gift Aid amount to approximately £2,000 p.a. and loose cash in the offering collected during the service for year ended 5 April 2014 was £2,171 in notes and coins, including four £50 notes. No cash gifts were received other than in the church services and all offerings are banked each week into a UK bank.

The church seeks to maximise the amount of top-up repayment that it can claim under the GASDS.

Calculation process:

Step 1: HMRC registration

The church is already recognised by HMRC as a tax charity, and has been for at least two years.

Step 2: Recent Gift Aid claims record

The church has made regular Gift Aid claims during its period of registration and therefore meets the requirement to have made at least two Gift Aid claims in the past four tax years and at least one every other year.

Step 3: Eligibility of donations

All the donated cash (notes and coins) is received in the UK, in UK denominated notes and coins and is banked into a UK financial institution, but as there are 4 £50 notes (exceeding the maximum of £20), these cannot be included.

Step 4: Calculation

1. The charity has a 'core' limit of £5,000.
2. The church building qualifies as a community building and therefore all cash donations collected during the services (except the £50 notes) can be included in a claim.

The maximum potential claim under the scheme is therefore; £5,000 as the core limit.

£5,000 for donations received during the services in the church's community building.

This makes a total maximum claim of £10,000.

However, as no money is collected outside of the church services, none of the £5,000 core limit can be used.

Donations received in the church building during the church services amount to £2,171. This is below the limit of £5,000 but must be reduced by £200 to exclude the four £50 notes.

The total claim is therefore £2,171 less £200 = £1,971.

Step 5: The matching principle

The matching principle means that in order to be able to reclaim the top-up in full, Gift Aid claims in the same tax year must be at least one tenth of the claim under GASDS. With net gifts on which Gift Aid is claimed running at an average £2,000 per annum, this will not restrict the claim. $£2,000 \times 10 = £20,000$ far in excess of the claim of £1,971.

Step 6: Time limits and claim

All claims under GASDS must be made within one year of the end of the tax year in which the donation was collected. For donations during the 2013/14 tax year, the deadline for a claim is 5 April 2015.

Case Study 2

Church Z has been in existence for ten years and has been registered with HMRC as a tax charity making regular quarterly Gift Aid claims for six years. The 31st of December is their year end. The church meets in four locations. Its primary location is a building that it owns outright and uses for its larger family service gatherings supported by evening meetings in the adjacent church hall, and it has two local congregational plants in the town.

The first of these plants rents a school hall and is well established with an average congregation of around sixty attending each week. The second is a newer plant which meets on a monthly basis in a local café. Attendances vary sometimes as low as eight to ten people, at other times as high as twenty to thirty. This plant started in September 2011, meeting on the last Sunday of the month.

During the period between 1st April 2013 and 31st March 2014 the church claimed Gift Aid as follows:

3 months to 30th June 2013:	£645 claimed on net gifts of £2,580
3 months to 30th September 2013:	£983 claimed on net gifts of £3,932
3 months to 31st December 2013:	£441 claimed on net gifts of £1,764
3 months to 31st March 2014:	£266 claimed on net gifts of £1,064

The amounts claimed under Gift Aid are made up of donations by cheque, by bankers' standing order and cash gifts made within the church's envelope offering scheme. During that same period, the church also received the following cash donations, all in UK denominated notes and coins of £20 or less.

Period	Main building	Church hall	School	Café
3 months to 30 June 2013	£1,349	£245	£238	£87
3 months to 30 September 2013	£1,736	£97	£177	£58
3 months to 31 December 2013	£1,924	£215	£345	£65
3 Months to 31 March 2014	£1,699	£147	£296	£40

The church seeks to maximise the amount of top-up repayment that it can claim under the GASDS.

Calculation process

Step 1: HMRC registration

The church is already recognised by HMRC as a tax charity, and has been for at least two years.

Step 2: Recent Gift Aid claims record

The church has made regular Gift Aid claims during its period of registration and therefore meets the requirement to have made at least two Gift Aid claims in the past four tax years and at least one every other year.

Step 3: Eligibility of donations

All the donated cash is received in the UK and in UK denominated notes and coins of £20 or less and as such passes this test. However, some money from the meetings at the school is never banked (being used to reimburse expenses) and as such must be excluded. This excluded amount is £100 per quarter.

Step 4: Calculation

1. Because the main building and the church hall are on the same premises, they are treated as a single “community building” for the purposes of the scheme.

2. The school qualifies as a community building, passing the necessary criteria. However;

3. The café is unlikely to qualify as a community building because its primary function is commercial and that use involves the sale or supply of goods. However, there is an offering in the café, and it has come to £250 over the period. This £250 can be used against the ‘core’ element. It is money raised outwith the main church buildings, for the charitable purposes of the church.

The maximum potential claim under the scheme is therefore:

£5,000 as the core limit.

£5,000 for donations received in the main building and the church hall combined because they are treated as a single building.

£5,000 for donations received in the meetings held at the school.

Nothing for the meetings held in the café (a commercial property).

This makes a total potential claim of £15,000.

1. The cash donated in the café is excluded from the community buildings element of the claim, but can be used against the ‘core’ element. This amounts to £250.

2. Donations received in the main building and church hall during the tax year 2013/14 total £7,412. As this exceeds the maximum amount per community building, this part of the claim is restricted to the £5,000 annual maximum.

3. Donations received at meetings in the school amounted to £1,056, well inside the £5,000 limit.

4. All donations from the café are excluded from the “community buildings” element of the claim as the building does not meet the requirements to qualify.

Although it would be nice to ‘transfer’ the excess cash donations collected from the main building to utilise the unused allowance from donations collected at the school, this is not permitted by the scheme. So the total cash which (subject to the matching principle) can be claimed for the tax year 2013/14 is £5,000 plus £1,056 plus £250 = £6,306.

Step 5: The matching principle

The matching principle means that in order to be able to reclaim the top-up in full, Gift Aid claims in the same tax year must be at least one tenth of the claim under GASDS. The maximum GASDS claim calculated in step 4 is £6,306, so in order to claim the whole amount, net gifts on which Gift Aid has been claimed must be at least £631.

With net gifts of £9,340, the matching principle will not restrict the claim.

Step 6: Time limits and claim

All claims under GASDS must be made within one year of the end of the tax year in which the donation was collected. This is the case regardless of the way that the church is constituted. In this case that means that money donated up to 5 April 2014 can only be reclaimed until 5 April 2015.

This is so even though the donations that form this claim will be included in the church’s accounts drawn up for the year ended 31 December 2014 and the year ended 31 December 2015.

Pro Forma Offering Record template for cash donations (not gift aided)

Church Name:

Meeting location:

Type of event (e.g. worship, coffee morning etc)

Number of attendees: (estimated)

Date:

Offerings – non-cash, Gift Aided or over £20	Denomination	Offerings Not Gift Aided
	Cheques	
	£50	
	£20	
	£10	
	£5	
	£2	
	£1	
	50p, 20p, 10p, 5p	
	2p, 1p	
	Total Offering	



Offering to bank

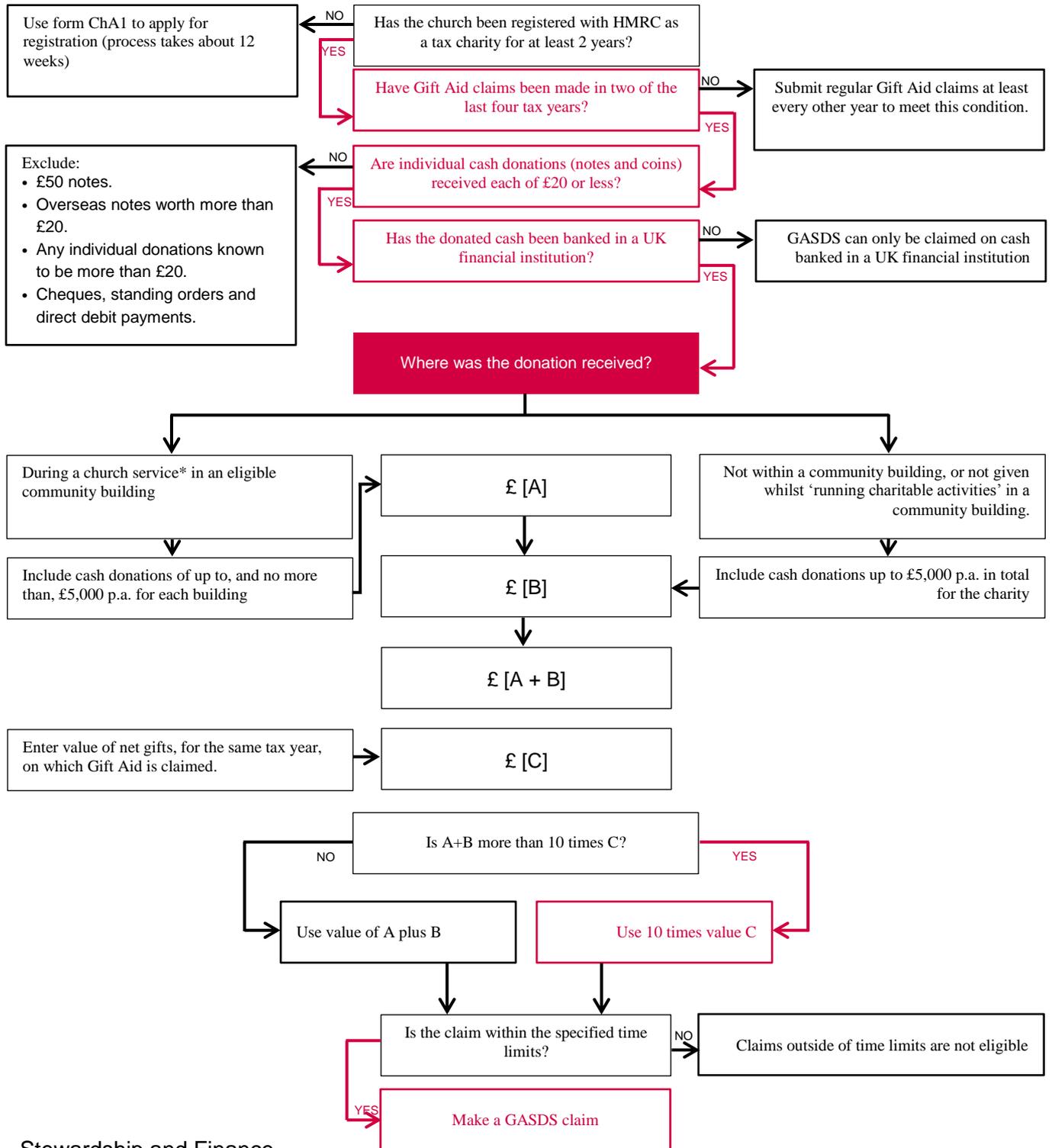


Counted by:

Signed:

Countersigned:

GASDS decision tree (copyright Stewardship 2013)



Stewardship and Finance
 121 George Street
 Edinburgh
 EH2 4YN
 Tel 0131 225 5722



Email sfadmin@cofscotland.org.uk
Website: www.churchofscotland.org.uk
Scottish Charity Number: SCO11353