

Gift Aid Update



Keeping you in touch with Gift Aid issues - for Churches using the Diocesan Gift Aid Lite Scheme

Issue 6
June 2008

Acknowledgement Letters

Have you sent the 2007/08 letters? Please notify me of any amendments which need to be made following these letters being sent out. NOT yet sent them - we urge you to do so as soon as possible. If you don't understand why they should be sent out, or would like to have a sample letter, please ring.

Quarter dates for 2008/09

June qtr - 06/04/08 - 30/06/08
September qtr - 01/07/08 - 30/09/08
December qtr - 01/10/08 - 31/12/08
April qtr - 01/01/09 - 05/04/09

SA DONATE SCHEME - is your Church registered?

Just a quick reminder about this scheme which was introduced in April 2004 as an extension to the Gift Aid Scheme. To receive any benefit from this scheme, you have to register for a separate reference. We encouraged all Churches across the Diocese to do this and most did. This scheme enables those who complete self assessment forms and are entitled to a refund from HMRC, to donate their refund to a charity registered for the scheme. Donors may or may not be part of your congregation! Once registered, Charities are encouraged to make their congregation aware of their registration reference on an annual basis (maybe at the same time as the acknowledgement letters). So far, only a few donations have been received across the Diocese in this way - maybe this scheme needs to be advertised more within our Churches!

Accounts

Reminder - Annual audited accounts need to be sent into the Finance Department of the DBF following your Church AGM. The September quarter tax claims are not submitted until these accounts have been received. To avoid any delays during this quarter it would be helpful if Gift Aid Secretaries could mention this to your Treasurers and any outstanding accounts forwarded to our office as soon as possible.

DONATIONS DUE REPORTS / ENVELOPE NUMBERS

Many of you have been correcting the folio env N/A on the donations due reports. Unfortunately, I am unable to do so. We either record an envelope number against a donor, or it defaults to env N/A. Without a change in the software used, my hands are tied on this - sorry!

Welcome

Canon Peter McEvitt is now in post as the Diocesan Stewardship Officer. Although Gift Aid is now administered via the Finance Department, there remains a strong link with Stewardship. If you think that Peter can be of help to your Church, please contact him on 0161 828 1474.

Transitional Relief

This quarter will see our claims being submitted at the reduced rate of 20% - 25p in the £. However, as per the budget announcement, HM Revenue and Customs will be adding the new relief to our claims to bring the repayment back to 22% - 28p in £. Claims that are submitted and repaid prior to the Finance Bill receiving Royal Assent towards the end of July, will have the transitional relief repaid separately. After the Royal Assent, we understand from HMRC that the two amounts, together with any interest repayable, will be all be repaid together. Those Churches having refunds repaid directly into their Parish share account will see the transitional relief as a separate entry on their share statements, in the same way as interest is currently shown. Would Gift Aid Secretaries please ensure they inform their Treasurers of this arrangement.

Back Claims ? (before 6/4/08)

HMRC require each calendar year to have a separate schedule. Also as there is a tax rate change, a separate schedule is needed for the first quarter in 2008. Any back claims, please advise as follows -

- Pre 1/1/08 - donations received in each calendar year - separately figures please.
- 1/1/08 - 5/4/08 - separate figure please

One off's - revisited - again!

With the introduction of Aggregated claiming, we have had to give serious thought to the way in which One offs are managed. Through our auditing programme, it is also obvious that whilst many Churches are keeping records of their received one offs; incorporating these records into the audit trails seems to be creating problems. If you are claiming on one offs, please examine your systems to ensure that an adequate audit trail exists. These pointers might help -

- Using the guidance notes in the December 2007 (issue 4) ensure that all completed one off envelopes comply with completion requirements
- For the cash records, we suggest that an entry is made in the Vestry/weekly cash sheet. This can either be recorded in the donors name, with an amount, or if numerous envelopes are received, xx envelopes = £ xxx.
- Supporting records can take many shapes and forms! As long as whichever system you are using, can identify the single envelope or the batch of envelopes received on any particular date, with a total, your system should be auditable.

CLAIMING on one offs -

To use the new aggregated claiming, as advised in the last update, you will start to see a new donor on the donations due report - 'Aggregated One off claims' - this is the donor record I am using to make these claims. To avoid immense confusion, it would be helpful if you could notify me of one offs in the following manner -

- It is most helpful if the main batch of your one offs are received in the office at least two weeks prior to the end of the quarter period. **Deadline next quarter will be Monday 22nd September 2008. This ensures that they can be included in the quarterly mailing.**
- Split your one offs into three piles and deal with in the following ways -
 - Those received from regular donors (for general funds) - add to the donors regular giving on the Donations received report. (restricted money) - list separately noting the appropriate fund.
NB. There is no need to send the envelopes in for this group as there is already a declaration covering them.
 - Those donations exceeding £10 in value and not from regular donors, please batch together - we

still have to make a claim entry for each of these donations, although those from an individual person can be lumped together.

- The rest! That is non regular donors and £10 and under in value. Batch together. These will be entered as a lump sum with a batch reference in the new aggregated donor record.

NB. If I receive several batches of one offs within a quarter, each batch will be recorded separately. However, our computer software is currently be upgraded to deal with these and will hopefully be capable of 'lumping together' several batches provided they remain under the £500 limit imposed by HMRC.

We will try out this new system this quarter - any comments would be welcomed.

☺ PLEASE NOTE ☺

I shall be on holiday from Friday 4th July 2008

until Tuesday 22nd July 2008

Please contact a member of the Finance Team if you have any urgent queries during this period

(0161 828 1400)

DIOCESAN AUDIT PROGRAMME

The new programme is now under way and the first audits have been conducted. If you have received a questionnaire and not yet returned it, please do so as soon as possible.

ADVANCE NOTICE

There will be three training sessions arranged during the autumn for any new people involved in Gift Aid (Gift Aid Secretaries, Treasurers, Recorders or Churchwardens etc.) The sessions will cover all basic requirements, good practice points, tips for improving systems and any new information received.

Dates and Venues to be confirmed - keep a look out for these.

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