

# Gift Aid Update



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

Issue 7  
September 2008

Please ensure that any one offs to be included in the 'print run' for the December quarter, are received in the office by Monday 15<sup>th</sup> December 2008

## HMRC REPAYMENTS

The tax refunds this quarter have been taking six or seven weeks to repay, more in one or two cases. Their website also confirms this. This has probably been due to the introduction of Transitional relief and the extra payments this caused prior to the budget receiving Royal Assent. There is currently a slight improvement to four or five weeks delay.

### IMPORTANT - PLEASE NOTE

This has consequences for the September quarter claims. In order to ensure that the tax refunds are received in 2008, I need to impose a **deadline of the 10<sup>th</sup> November 2008** for your claim returns to reach our office to be processed. Therefore please make every effort to process the Donations Due report as soon as possible.

## GIFT AID TRAINING

The planned autumn training has been delayed until early next year. If anyone wishes to receive some assistance or training before this, please get in touch. More information to follow....

## Transitional relief....

All claims submitted for the period 6/4/08 have been attracting transitional relief. I have been trying to advise you of the 'estimated' amount on your remittance advice slips. I have been made aware as the claims are being repaid that our computer software and HMRC are dealing with this in slightly different ways which results in occasional differences of +/- 1p. Where the tax refund is paid into your parish share account, you will find a separate entry for the relief element. We are currently amending our working practices to deal with this issue correctly. We will attempt to calculate accurately the amount of relief due when making BACS transfers to you for restricted funds. Any problems, other than the rounding issue, please let me know.

## Refunds to HMRC

The introduction of transitional relief has caused us to re-examine our procedures when dealing with tax refunds to HMRC. Our current practice is to deduct the tax from the next claim being made to HMRC. However, to clarify audit trails we have amended our practices to deal with these completely separately to any claim and will in future deal with them in the following way: -

- For those with repayments going direct to parish share - any refund will also show as a deduction in your parish share account.
- For those being repaid by BACS direct from HMRC - following agreement as to the amount of tax to be refunded, a parish cheque should be raised to HM Revenue and Customs and forwarded to our office. This will enable it to be attached to the correct paperwork and forwarded to HMRC.

It should be noted that for all refunds on claims made since 6/4/08, the element of transitional relief will also need to be refunded.

### Fact Sheets -

As previously promised, please find attached two fact sheets which deal with the Handling of Cash and best practice notes for dealing with your offertory. Hope that you will find these useful.....

## AUDITS

A number of audits have now been completed and questionnaires have been received. The systems used, work we have done and advice we have given is being reviewed at the end of September by a senior member of HMRC. It is hoped to provide some feedback in the next update.

## September claim period -

1<sup>st</sup> July 2008 - 30th September 2008 (13 wks) - last Sunday - 28<sup>th</sup> September 2008

Produced by - Susan Warren, Manchester DBF, Church House,  
90 Deansgate, MANCHESTER. M3 2GH ☎ 0161 828 1424  
Email - susanwarren@manchester.anglican.org