

The definitive guide to:

Gift Aid Rules for charities

Claiming Gift Aid on charity donations can maximise the impact of each donation. Our guide explains everything a charity needs to know.



The Definitive guide to Gift Aid for charities

The UK has been called one of the world's most generous regions. Yet as inflation rates rose in the UK, global unrest dominated the news and we felt the effects of the cost-of-living crisis, around one in eight people cut back on their charitable giving in a bid to curb their outgoings. Charities need every pound they can get.

In the tax year ending April 2022, it was reported that Gift Aid brought an additional £1.3bn into the sector. Last year, the HMRC revealed this figure had increased to £1.6bn. Yet despite all this, as much as £560 million of Gift Aid could still be going unclaimed each year.

Learn how **Fawcett Society** claimed a missed payment of £5,000 – and received the payment in just 10 days.

That's money that could be used to mobilise your mission, so no organisation can afford to let the process slip. We've put together this handy guide to help you get to grips with Gift Aid donations.

What is covered in this guide?

What is Gift Aid?

What are the Gift Aid eligibility rules?

Six Gift Aid rules for charities to know

How do I claim Gift Aid?

Making the most of Gift Aid software for charities

Disclaimer: The information in this blog is based on the information provided by **GOV.UK**. Always read the official guidance for a complete oversight of Gift Aid rules and regulations for charities.

What is Gift Aid?

Gift Aid was launched in 1990 as an incentive to enable tax-effective giving. Every time an eligible individual donates to your charity, you can claim an additional 25% on that donation – this is your 'gift'. That means for every £1 donated, your organisation can claim 25p in Gift Aid. It's a huge financial boost, and one of the best ways to stretch the value of individual donations for charities and non-profits.

What are the Gift Aid eligibility rules?

Managing Gift Aid isn't always simple, and you need to take some time out to familiarise yourself with the rules. It starts with eligibility, which means answering three important questions:

Can my organisation claim charity Gift Aid?

If your organisation is a registered UK charity or community amateur sports club (CASC) and recognised by HMRC, then yes it can.

Is my donor Gift Aid eligible?

For a gift to be eligible, your donor must be a UK taxpayer and sign a Gift Aid Declaration Form giving you permission to make a claim on their behalf. Dive a little deeper into the world of Gift Aid rules, and you will also find that your donor needs to pay at least as much in income/capital gains tax as you want to claim from them that financial year.

Does the donation meet Gift Aid requirements?

Donations come in many shapes and forms, and so do the rules around Gift Aid. Sadly, not every donation you receive will be eligible (for example, you cannot claim Gift Aid on the sale of donated goods in a charity shop, but you can claim as an agent of a gifted donation). Full details on the special rules for claiming Gift Aid are available on [GOV.UK](https://www.gov.uk), but as a starting point here are six rules every charity needs to know:

Six Gift Aid rules for charities to know

1. Gift Aid only applies to donations from an individual, not on behalf of a person or company because of the tax status declaration.
2. It must be a donation – not a mandatory request.
3. Payments for goods and services do not apply.
4. You cannot claim on donations paid through Payroll Giving or charity cheques/vouchers because the donations are taken pre-tax.
5. Gift Aid cannot be claimed if donors receive a benefit or service in return.
6. You must be able to provide a valid Gift Aid declaration.

Did you know? Thanks to the Government's [Gift Aid Small Donation Scheme](#) (GASDS), you can also claim Gift Aid on cash or contactless amounts up to £30 without a declaration. Your GASDS claim can't be more than 10 times your Gift Aid claim, and small donation claims can't exceed more than £2,000 for the given year, or £1,250 for previous years. You also need to keep accurate records, including total cash donations collected, the date of the collection, and the date money was paid into your account.

“ Access helped us identify several claimable payments recorded on our CRM where Gift Aid had not been secured over the previous four financial years. The resulting work to claim these was little more than a regular administrative exercise, over the course of a few days. The results were immediate, and a significant amount was successfully claimed.

Our processes are now more robustly set so that future claims will rigorously include all valid payments. I'd recommend any client should use Access's advice and support to improve processes and income.

Richard Harrington,
Head of Membership at Garden Organic

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How do I claim Gift Aid?

To make a charity Gift Aid claim, the first thing you need to do is make sure your donor has filled out a valid Gift Aid Declaration form. There are three main types – single, multiple and sponsored. If you can, ask your donor to fill out a multiple use form as this will cover previous and future, not just current donations.

Charity declaration templates to download

Gift Aid declaration for **SINGLE** donations

Gift Aid declaration for **MULTIPLE** donations

Gift Aid declaration for **SPONSORED** events

If you have more than 1,000 claims to process, or want to streamline your systems, you will need to use specialist Gift Aid software for charities to claim Gift Aid. GOV.UK offers a full list of **approved suppliers**, including **Access Charity CRM**. This method includes a direct integration with the HMRC so data is completely safe and secure and means payment will be made automatically into a charity's bank account in around four weeks.



With the Access Charity CRM and the support from the Customer Success Team at Access who helped us correct our data - they did a back-end data fix for us which allowed the full missed Gift Aid amount to come through into a claim - we saved a lot of time! It was a smooth, seamless process and we were able to claim just under £25k.

Sarah Westcott,
System Manager at Brain Tumour Research

£25,000 claimed



If you're a small charity with less than 1,000 claims to process, you could do so manually. This can be done by post with a **ChR1 form**, or by uploading a scanned copy to the 'Repayment Claims details' page of your online charity account (provided you have filled out a **Schedule Spreadsheet**).

Did you know? Gift Aid claims must be made within four years of the financial year end for that donation (this falls to two years for the GASDS scheme).

Making the most of Gift Aid software for charities

If you've just started getting to grips with Gift Aid, you might be feeling a little overwhelmed. That's why we've used our 30+ years of sector experience to lighten the load and create a Gift Aid management tool within our **Access Charity CRM**. From donation to receipt, Access Charity CRM makes Gift Aid management quick and painless. Seamlessly integrated into your broader income management systems, all you need to know is the eligibility status of your donor and our intelligent Gift Aid management tools will do the rest.

- ✔ **It's quick and easy to log, record and update any donor's Gift Aid status.**
- ✔ **You can make single or batch changes in an instant.**
- ✔ **Intelligent Gift Aid management tools will keep a log of eligible donations.**
- ✔ **You can submit online claims in just a few clicks.**
- ✔ **(with data quality and validation automatically checked before each one)**
- ✔ **It's easy to back-date claims from new multi-year declarations.**
- ✔ **You can pull and rotate reports to track and showcase (and plug any gaps in) Gift Aid income.**
- ✔ **There's an audit trail so you easily find historical claims and evidence should you need it in future.**

We work closely with HMRC to keep our software – and your charity – Gift Aid compliant. Regular updates are released automatically, making sure that your organisation always has access to the latest and greatest version of our software.

“ I would wholeheartedly thank Access and our Customer Success Manager for holding our hand and guiding us through the amendments we needed to make to the Access Charity CRM membership types in order to ensure we claimed Gift Aid applicably. With their guidance, we now have our Gift Aid records being correctly captured and this enabled us to make a retrospective claim for over £14,000 unclaimed Gift Aid for the last four years to HMRC.

Lesley Ingram,
Head of Finance and Operations at Anaphylaxis UK

£14,000 claimed

Helpful reading and resources

In a world full of silver bullets and digital innovations, it is important to get the basics right. [GOV.UK](#) is a great place to start, while the Charity Finance Group launched [Gift Aid Awareness Day](#) to help organisations like yours navigate the ins and outs of Gift Aid processing.

If you want to find out how [Access Charity CRM](#) can help bring your Gift Aid claims under control, we are more than happy to help.

Get in touch



About Access Charity CRM

With Access Charity CRM you can create engaging campaigns and events, building strong connections with your supporters by sharing information that truly matters to them. Our powerful search, analytics and marketing automation technologies can be used to identify and target donors with the right messages at the right time to help make income generation more predictable.

Our charity CRM has a simplified interface, underpinned by robust data and analytics, that gives the rest of your team and wider stakeholders the ability to self-serve critical information freeing up your fundraising team to make an impact.

[Request a chat](#)

About The Access Group

The Access Group is one of the leading providers of business management software to mid-sized organisations in the UK, Ireland, and Asia Pacific. It helps more than 60,000 customers across commercial and not-for-profit sectors become more productive and efficient. Its innovative Access Workspace cloud solutions transform the way business software is used, giving every employee the freedom to do more. Founded in 1991, The Access Group employs approximately 5,000 people.

For more information about The Access Group, visit www.theaccessgroup.com