

1. Document Purpose

This document is provided for guidance to all u3as. However each u3a is required to make it's own policy with regard to Gift Aid.

2. u3a Membership Fees Basis

2.1. Basic Membership Subscription

Generally u3as that have a basic membership subscription, and charge participating members for any groups or activities that incur costs (e.g. hall hire, transport, etc.) can consider ALL of the member's eligible donations as a Gift.

2.2. All Inclusive Membership Subscription

u3as that operate on an "All Inclusive" basis, i.e. the annual subscription is all the members pay (with the possible exception of outings) may have to exclude from their Gift Aid claim the amount of "benefit" the donating member is perceived to receive.

The Trust's 'Financial Advice' has always clearly stated that Gift Aid is only claimable on the **basic** membership subscription paid to the charity. Any part of the membership fee that could be considered to be payment in relation to a personal "benefit" (e.g. in the case of an "Inclusive" membership subscription, the entitlement to hall hire for individual groups) should be excluded from the claim. This has been confirmed by correspondence received from HMRC (March 2021). Items in pursuit of the basic operation of the charity – monthly general meetings, newsletter (including TAM), etc. – are not considered "benefits".

3. Registering with HMRC

3.1. Requirements

Your u3a needs to:

- Sign up - get an account for your organisation with Government Gateway. You will have this already if you are a registered Charity.
- Enrol to use HMRC Charities online service.
- If the u3a is not a registered charity contact HMRC for further guidance
- Activate online service using code they send you.

You can then claim Gift Aid repayments using the HMRC schedule or you own database (eg Beacon).

3.2. Extent

You cannot claim Gift Aid on a subscription payment paid on behalf of someone else. This is because it's considered a gift to the person whose membership you pay, not to the charity.

4. Declarations

4.1. Allowable Formats

A declaration by a donor (a member) can be made in writing, verbally or online. Whichever format you use, donors must provide the required information for your Gift Aid claim to be valid.

4.2. Beacon

For those using Beacon there is a function in the set up to allow you to select 'Gift Aid Declaration' or not. If you tick on this option then members, at time of renewal can tick to confirm they want their membership subscription to be gifted. Beacon will then store and summate the members that have Gift Aided their subscription. You can then download an Excel workbook of this information and adjust for HMRC submission.

More information of this function can be found in the Beacon Users Manual online.

4.3. Online and Hand-written Declaration Forms

Donors can fill in their details on a paper form. Forms could also be printed on a collection envelope like those used in church services or house-to-house collections.

You may prefer to offer donors an online form, eg on your website. Whichever format you offer, donors must provide the required [information](#).

A simple option is to add the Gift Aid option as part of your Membership Application Form.

4.4. HMRC Template Declarations

HMRC provides free template declaration forms for you to use. You don't have to use a template, but if you do, you can be sure that declarations will meet HMRC's requirements.

You can include additional information to suit your u3a's needs, e.g. reference numbers.

Download template declaration forms for charities:

- [one-off donations](#)

You can backdate declarations for a limited period (4 years).

4.5. Verbal Declarations

This should be seen as the least desirable method as record keeping is more unreliable. However for some members, under certain circumstances, a Gift Aid declaration can only be given verbally (eg over the phone). Verbal declarations must include the same [information](#) as hand-written or online declarations.

You must send or give donors a written confirmation of a verbal declaration (this can be by email). This needs to include the same information as hand-written or online declarations. It must also tell your donors that they can cancel their declaration within 30 days of the date of the written confirmation.

4.6. What Declarations Must Include

There is no set design for a declaration form or a verbal declaration, but it must include:

- the name of your u3a
- the donor's full name
- the donor's home address, including postcode

- whether the declaration covers past, present or future donations or just a single donation
- a statement that the donor wants Gift Aid to apply (this could be a tick box on a written or online declaration)
- an explanation that the donor needs to pay the same amount or more of UK Income Tax and/or Capital Gains Tax as all charities will claim on the donor's gifts in a tax year and that the donor is responsible to pay any difference
- state that they will notify you of change of name or address or if they no longer pay sufficient tax on their income

4.7. Joint Declarations

Married couples, couples in a civil partnership or people living at the same address can make declarations on the same form. Only one donor needs to sign.

u3as must ensure they have valid declarations for every individual listed in the claim including one each from a husband and wife if a membership fee is received from a joint account.

4.8. Cancelled Declarations

A donor can cancel their declaration at any time, e.g., because they no longer pay UK tax. Cancellation will not affect Gift Aid donations already made. Once a declaration has been cancelled, any further donations from that donor will not qualify.

Donors can't cancel declarations for one-off donations once they've made the donation.

A donor can cancel a [verbal declaration](#) within 30 days of them receiving a letter from you confirming the declaration. If you make a verbal declaration, you must list each donor separately on your records.

Keep records of any cancelled declarations, including the cancellation date.

For Beacon, each year at renewal time, the relevant box needs to be ticked by the member.

5. Membership Fee Payment

5.1. Joint Payment

Where a cheque is submitted for membership of two eg a couple) and is drawn on one member's account only one claim may be made. Therefore try to encourage members not to do this but to pay individually instead. If, however, the payment is from the couple's joint bank account, both donations can be claimed

5.2. 'Family' Membership

HMRC make no mention of Group or Joint Membership arrangements. The Trust has taken the HMRC rules on "Family Membership" to be applicable to Joint Membership arrangements that some u3as have. Joint Membership should meet all the criteria HMRC describe for Family Membership. Regarding Family Membership HMRC states:

“3.37.8 Many organisations offer family membership arrangements that give all the rights of individual membership, but at a reduced cost”.

If, as a u3a, you offer a ‘family membership’ (eg for husband and wife) at a reduced rate the subscription is a gift to the u3a provided the subscription:

- secures membership for the donor
- satisfies the conditions in ‘Membership subscriptions’

“3.37.9 The fact that the subscription gives members of the donor’s family rights of membership too does not change this as the payment is, primarily, a gift from the donor to the charity. The donor must, however, be the person who has given a Gift Aid declaration to the charity”.

So Joint Membership is fully applicable for Gift Aid.

5.3. Associate Membership

An ‘Associate’ u3a membership is treated as just a normal membership, ie Gift Aid is claimable (but just for the the amount the Associate member has paid).

6. Claims

6.1. Format

You can claim online or with your own form or paper. Online claims can use HMRC form or Excel. The Beacon download in Excel can be used directly for submission (if the data is in the right format).

What ever method used it must be in the exact required format. For example:

- No full stops after title (e.g., must be Mr not Mr.). Best to “change all” using Ctrl,H
- Must be a valid Postcode.

For backdated claims: Claims can be done that do not need every donor to be listed separately using ‘Aggregated donations’. These are donations under £20 from different people totalling less than £1,000 per line. When you add together donations from the same person, these are not classed as aggregated. It is vital of course that you keep a record of where the aggregated figures have come from.

6.2. How to Claim

You can [claim Gift Aid](#) using Charities Online with:

- [eligible software](#), like a database
- a [spreadsheet of your donations](#)

For claims of over 1,000 donations you must use software.

To apply by post use form ChR1, which you can get from the [charities helpline](#).

6.3. When To Claim

Your deadline to claim Gift Aid depends on how your charity is set up (when your year runs from / to). You need to claim for Gift Aid within 4 years of the end of the financial period you received the membership fee in. Therefore consider:

- the tax year (6 April to 5 April)
- your [accounting period](#) if your charity is a Charity Incorporated Organisation (CIO) or a limited company

6.4. When You'll Get Paid

You'll get a Gift Aid payment by BACS within:

- 4 weeks if you claimed online
- 5 weeks if you claimed by post using form ChR1

Contact the [charities helpline](#) if your repayment is wrong or if you submitted an incorrect claim.

7. Records

7.1. Keeping Records

You must keep records of all Gift Aid declarations, whether they are written, online or verbal. This is to prove that each donor included in your claim has made a declaration.

HMRC can ask to see the Gift Aid declarations that your donors have completed. If you claim Gift Aid on payments from a donor who hasn't made a Gift Aid declaration, you will have to repay the tax that you've claimed.

If your records show that you received a declaration from a donor, but you can't find the declaration, you can send the donor a written confirmation of their original declaration.

Beacon does not keep historic data so you need to keep the annual export file.

7.2. Electronic Records

You can scan original paper declarations and store them electronically. If you keep an electronic record of declarations, you can destroy the original forms, but you must be able to view and print out the scanned images of your declarations.

7.3. Records of Verbal Declarations

To keep a record of verbal declarations from donors, you can:

- keep an audio recording of each donor making their Gift Aid declaration
- keep a record of when the letter confirming a donor's verbal declaration was issued

7.4. Cancellation

A member can cancel it's declaration at any stage during the year. The cancellation applies to the next u3a year (you don't have to pro-rata the current/ previous year).

You must keep records of any [cancelled declarations](#) including the cancellation date.

7.5. How Long to Keep Records

You must keep declaration records for 6 years from the end of the accounting period they relate to. This overrides any GDPR policy requirements. If you have any enduring declarations covering regular donations, e.g., a direct debit or standing order, keep them permanently. If a donor stops their donations, then the time limit applies from the date of the final donation. If a single declaration applies to more than one donation, work out when you received the last donation and keep the declaration for the required time from that point.

If HMRC asks you questions about your claim, keep your declaration records until the enquiries are finished, even if the time limit has expired.

NB: HMRC reviews the declaration form regularly, so the form should be checked annually. Ensure that you record first names in full.

Higher rate taxpayers may claim tax relief on their subscription. If requested be prepared to issue them with a receipt for what they have paid and what the u3a has claimed under Gift Aid.

Further information is available from the government website (<https://www.gov.uk/claim-gift-aid>).

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