



# THE DIOCESE OF ARUNDEL & BRIGHTON GIFT AID HANDBOOK



## **FOREWORD**

Gift Aid is an increasingly important source of income for our Parish communities and I am very pleased to commend to you this revised Gift Aid Handbook.

It provides a concise and helpful resource that will be of great value to the Parish Gift Aid Organisers who do so much to support Parish communities in the Mission that has been given to us. A great debt of gratitude is owed to them.

This Handbook will assist also Parish Finance Committees in their task of supporting Parish Priests in their task of financial governance and I take this opportunity to thank them for their continuing commitment.

Thanks go to Patricia Wrightson, the Diocesan Gift Aid Coordinator, and those who have assisted her in the production of this Handbook.

*+Richard Mott*

Bishop of Arundel & Brighton



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## Introduction and Background

The Parishes and Diocese of Arundel & Brighton rely in so many ways on the generosity of donors. Because we are a registered charity, we can also claim Gift Aid to enhance the benefit of these offerings by 25% when they are given by taxpayers who wish to use the scheme.

Our Gift Aid scheme is overseen by the Finance Office in Hove, and has a dedicated team member, the Diocesan Gift Aid Coordinator, who processes all the claims with HMRC and provides support to Parish Gift Aid Organisers.

Without these Organisers there would be no scheme, and a very significant source of support for our mission would be lost: we are most grateful to all who contribute to this work in our Parishes.

This Handbook describes all the tasks and responsibilities undertaken by Gift Aid Organisers. A GiftWise User Guide is also available to explain the detail of the online processes that take place within our cloud-based Gift Aid system.

In order to claim Gift Aid we are required to handle personal data belonging to our donors. This Handbook will support us in ensuring that we comply with the General Data Protection Regulation (GDPR), which exists to protect the privacy of those whose personal data we handle. The Handbook also provides all the information required to ensure that our scheme is fully compliant with all HMRC rules.

Help and support is available from the Diocesan Gift Aid Coordinator at Bishop's House in Hove, T: 01273 859705, E: [Giftaid@abdiocese.org.uk](mailto:Giftaid@abdiocese.org.uk)

## The Role of the Gift Aid Organiser

The Gift Aid Organiser operates the scheme within the Parish and is responsible to the Parish Priest. All Gift Aid Organisers work closely with an online computer system called GiftWise. This system is cloud based and can be used by the Gift Aid Organiser at home on their own computer. We use the system to record donations and claim Gift Aid. Full training is given and a User Guide is also available. It is recommended that the Gift Aid Organiser updates the GiftWise system fortnightly basis to process envelopes and monthly to process standing orders.

The Gift Aid Organiser undertakes the following tasks on behalf of their Parish Priest:

1. Obtaining and uploading **Gift Aid Declarations** for new members of the parish scheme
2. Facilitating Gift Aided donations by issuing **Envelopes** and encouraging **Standing Orders**
3. **Processing Donations** on the GiftWise system
4. Sending **Annual Donor Letters** to thank donors and let them know amounts claimed on their behalf
5. Updating any **Donor Changes**
6. Ensuring confidentiality and privacy by ensuring safe storage of personal data and disposal of documents in line with **Data Protection** requirements
7. Ensuring that **Gift Aid for Second Collections** is only claimed where appropriate
8. Supporting **Audits** every 2 or 3 years
9. Working with the Parish Priest and Diocesan Fundraising Officer to **Promote Gift Aid**
10. Working with the Diocesan Gift Aid Coordinator to **Resolve Issues and Stay up to Date with Changes**

This Handbook explains each step.



Some Parishes receive Gift Aid as a result of contactless or online giving. The administration of the claims undertaken through these systems do not form part of the work of the Parish Gift Aid Organiser, as the system providers will work directly with the Diocesan Gift Aid Coordinator to ensure that claims are made and funds remitted to the Parish.

## **Gift Aid Declarations**

When a donor wishes to join the Gift Aid Scheme, they must complete and sign a Gift Aid Declaration (GAD) which authorises us to reclaim tax on their donations. They must be a UK taxpayer to join. A GAD covers all donations made by a donor to any Parish within the Diocese. The **Gift Aid Declaration** form is found in Gift Aid Resources on the Diocesan website [www.abdiocese.org.uk](http://www.abdiocese.org.uk)

The GAD must be signed and dated by the donor before processing onto GiftWise. The data from the form is keyed into the system, which will allocate a unique number to the donor. Each Parish has a code, and this must be written on the GAD together with the unique donor number. Then the original form can then be scanned onto the system (it should be saved in PDF format only, with the donor number followed by GAD as the file name). Once the Diocesan Gift Aid Coordinator has verified the GAD, the GAD can then be returned to the donor with a Welcome Letter by the Gift Aid Organiser. The **Welcome Letter** can be found in Gift Aid Resources on the Diocesan website [www.abdiocese.org.uk](http://www.abdiocese.org.uk)

A non-taxpayer cannot complete a GAD, but a taxpayer who has completed a GAD can make donations from a joint account they share with a non-taxpayer. Joint-GADs cannot be input as UK income tax applies to individuals only.

## **Gift Aid Envelopes**

Envelopes are used for donations taken in churches so that the Gift Aid Organiser can ensure that the money is allocated to the correct donor and Gift Aid Declaration. Each donor is allocated an envelope number, and this is recorded on the GAD and in the GiftWise system as the folio number. This ensures that the counters (who open the envelopes and record the collections) do not know how much each individual donor has contributed.

The Diocese provides a central cost-effective purchasing facility for all types of envelopes. Order forms are sent out annually to the Gift Aid Organisers so that parishes may benefit from this service. Most parishes use weekly dated and numbered envelopes with each boxed set covering one tax year. Ideally the donor retains the same number every year.

Special Collection numbered envelopes are available so Gift Aid donors who give primarily by Standing Order can also Gift Aid their contributions to ad hoc collections such as Christmas and Easter or other Special Collections e.g. Cathedral Maintenance.

Any Gift Aid envelopes received that are intended for another Parish should be forwarded unopened to that Parish (but do not post cash).

One-Off envelopes for single donations can be provided for visitors who pay UK tax. The User Guide explains how these are processed on GiftWise.



## Standing Orders

Giving by standing order is the best way of supporting the Parish and should always be promoted by Gift Aid Organisers. This is because the Gift Aid can be processed very quickly and easily when the bank statements are imported monthly into GiftWise and the risks of handling and banking cash are avoided. It is extremely time consuming to process envelopes and many Gift Aid Organisers and Counters are finding that banking facilities are being withdrawn. All UK banks are progressively reducing the number of local branches so the efficiency of direct giving into the Parish bank account is highly appreciated.

Parishioners can set up their own standing orders if the Gift Aid Organiser communicates the sort code and account number of the Parish bank account. The donor's unique Gift Aid Declaration number should be used as a reference. Alternatively, a Diocesan form can be provided to donors and passed to the bank. The **Standing Order Form** is found in Gift Aid Resources on the Diocesan website [www.abdiocese.org.uk](http://www.abdiocese.org.uk). The Standing Order Form should be sent to the bank and no copies retained or scanned onto the GiftWise system.

## Processing Donations

The Gift Aid Organiser will record all donations in GiftWise if the donor has a Gift Aid Declaration. The Gift Aid Organiser is responsible for donations received by cash, cheque or standing order. Donations given to the parish through online or contactless giving may be eligible for Gift Aid if the system has enabled this, but this claim is not managed by the Parish Gift Aid Organiser.

To qualify for Gift Aid, donations must be an absolute gift to a Parish or the Diocese and must pass through the Parish bank account and reconcile with the Parish Treasurer's records. This means that the donation is not payment for a course or any other benefit, and that the donor has decided freely how much they will give.

Qualifying donations or collections include:

- Offertory collections
- Standing order offertory donations
- Christmas and Easter collections for the Support of Clergy
- Bishop's Special Collections
- Parish Charity Fund (where the funds are retained in the parish and discretionary grants made)

Donations made at events subject to the following conditions:

- Free entry
- No personal benefit may accrue to any participant
- Failure to make a donation will not exclude a participant from taking part in the event

What cannot be included in the Diocesan Gift Aid scheme:

- A Gift Aid donation must not give any material benefit to the donor
- Mass Stipends and Stole Fees
- Collections taken to provide a gift to an individual including Parish staff and clergy celebrating personal milestones, leaving the Parish, or being ordained
- Papers, CTS pamphlets, items in the repository or gift shop
- 100/200 clubs, bingo, raffles
- Buy a brick scheme for Parish project fundraising



- Hall or car park fees, rents
- Monies from bazaars, fetes or social clubs
- Course or retreat fees or admission to concerts
- Donations via Give as you Earn payroll schemes
- Charities Aid Foundation cheques
- Collections taken for specific named third-party charities such as CAFOD and Apostleship of the Sea. Some charities supply their own envelopes incorporating a Gift Aid declaration enabling them – not the Parish or Diocese – to claim Gift Aid
- National Collections for the Bishops' Conference such as Home Mission Sunday, Day for Life, Catholic Association for Racial Justice, Catholic Communications Network – the Diocese collects these on behalf of the Bishops' Conference and passes them over and therefore cannot claim Gift Aid.

Donations from individuals trading as a business are eligible for Gift Aid tax rebate provided the business is not a registered limited company. Where a GAD is held in the name of an individual but donations are received in the name of a business the donor should be asked to confirm in writing that the funds belong to them personally in order to claim Gift Aid.

## Annual Donor Letter

Donors must receive a letter annually by 31<sup>st</sup> May to let them know how much Gift Aid has been recovered on their behalf. This is called a Gift Aid Donation Statement and is produced by the GiftWise system. This letter only refers to donations processed within GiftWise: **contactless and online giving is not included** as the claims are made using third party systems.

The purpose of the letter is to thank our donors and to enable them to check that they have paid at least the amount of tax that has been recovered under the Gift Aid scheme. Only income tax and capital gains tax are relevant here. Donors are responsible for reporting to HMRC the donations they make to all charities (and community amateur sports clubs).

Gift Aid Organisers must not provide any information to Gift Aid donors which could in any way be interpreted as tax advice. Donors should be referred to their financial adviser or tax office.

## Managing Donor Changes

On an annual basis the Gift Aid Organiser should review the list of donors for the Parish and terminate GADs for people who have left the Parish or died. Donors may cancel a GAD at any time by writing/emailing to the Gift Aid Organiser stating the effective date. The Gift Aid Organiser will attach a scan of the correspondence to the donor's record.

If a donor becomes a non-taxpayer they should inform their Gift Aid Organiser stating when they ceased paying tax. You should attach a scan of the correspondence to the donor's record. If the donor is going to continue donating via standing order their tax status will be amended on the system and it is possible to record the donations without Gift Aid being claimed. After tax year end you can still provide the donor with a statement of their donations. This can be helpful, because if the donor has resumed paying tax the letter will remind them to let the Gift Aid Organiser know. If the donor becomes a taxpayer again their record can be updated, and Gift Aid claimed from the appropriate tax year.



If the donor is late in notifying that they are no longer a taxpayer, the Gift Aid Organiser will need to make counter claims through the GiftWise System so that a refund can be made to HMRC. The User Guide explains how to do this.

If a donor transfers between parishes please inform the Diocesan Gift Aid Coordinator who will liaise with both parishes and move the GAD accordingly. As the GAD covers the Diocese there is no requirement for the donor to complete a new GAD.

If two parishes merge, the GiftWise system has the facility to merge Parishes by transferring all the donor records. Contact the Diocesan Gift Aid Coordinator who can provide advice, liaise with the Parishes and arrange this.

## **Data Protection**

The Diocese is a controller of the personal data of our donors, which they provide when they complete the Gift Aid Declaration. We must ensure that we respect this data by keeping it confidential. When a GAD is received it is uploaded to GiftWise and then returned to the donor. Similarly, we do not retain hard or soft copies of bank statements or standing order forms, as these contain personal data. The data retention schedule in the Appendix explains the length of time envelopes must be physically retained and how electronic files are to be stored/deleted to comply with HMRC, Audit and GDPR requirements. All Gift Aid Organisers are asked a **GDPR Declaration for Gift Aid Organisers**. This is found in Gift Aid Resources on the Diocesan website [www.abdiocese.org.uk](http://www.abdiocese.org.uk)

## **Gift Aid for Second Collections**

Tax rebates are reclaimed on the Special Diocesan Collections because they are a donation to Diocesan funds. These collections include the Lourdes Pilgrimage, Cathedral Maintenance and Missionary Endeavour. The tax rebates claimed on these collections are retained by the Diocese. The collections for Retired Priests and the Education of Future Priests are taken in Parishes to contribute towards a levy charged by the Diocese for these costs. These are therefore to be treated as Parish funds, and the Parish retains the tax rebates on these collections. A list and dates for the **Special Collections** are published annually and can be found in the Gift Aid Resources on the Diocesan website [www.abdiocese.org.uk](http://www.abdiocese.org.uk)

Donations raised for the needs of the Parish are eligible for Gift Aid, so long as the donor has not received any benefit in exchange for their gift. Funds for property, maintenance, flowers and liturgy and for the support of clergy all qualify. In addition, some parishes have a Parish Charity Fund created by donations from the congregation, typically through second collections. A Parish Charity Fund enables the Parish to make grants to individuals or organisations in need. This is a restricted fund, which means that the proceeds may only be used for the purpose stated to donors when fundraising. The collections qualify for Gift Aid because the Parish Priest together with a small advisory committee will decide how the funds are used to further the charitable mission and work of the parish. It is good practice to publicise how the fund has been used during the year to benefit charities or good causes.

As with all other collections donation envelopes must be retained for audit purposes.

Whenever a third party charity is named as the beneficiary for a collection, these funds must be passed over intact to the relevant charity, and cannot be Gift Aided or added to the Parish Charity Fund.



## Audits

Every two to three years an audit of Parish Gift Aid Records is carried out by the Diocesan Gift Aid Coordinator. This ensures that we are operating our scheme compliantly and could withstand an external or HMRC audit. The Diocesan Gift Aid Coordinator will be in touch to arrange this.

## Promoting the Gift Aid Scheme

It is important for the Gift Aid Organiser to raise awareness of the Gift Aid scheme to encourage new parishioners to join the scheme. This usually takes place as an appeal at the end of Mass or as a communication via the Parish newsletter or website. The Diocesan Fundraising Officer is responsible for promoting Planned Giving Campaigns in parishes, including encouraging Gift Aid. Whenever Gift Aid is promoted, the benefits of giving by Standing Order should be emphasised.

The Diocesan Fundraising Officer can also support parishes seeking to implement Contactless or online giving.

## Resolving Queries and Staying up to Date

Gift Aid Organisers should refer to this Handbook, the Gift Aid User Manual or the help screens and videos available in GiftWise system to resolve any difficulties or questions. The Diocesan Gift Aid Coordinator can be contacted for any further help and advice that is needed.

All queries with Gift Aid remitted to the Parish should be raised with the Diocesan Gift Aid Coordinator, who is responsible for claiming Gift Aid funds generated via the GiftWise system on a monthly basis. The Diocese receives the funds from HMRC approximately three weeks later. Funds are remitted to the Parish bank account after a deduction of 7.5% to cover Diocesan administration. A remittance report is available in GiftWise.

Gift Aid Organisers are invited and encouraged to attend the annual Gift Aid Forum which is usually held in Arundel in November. The Forum provides the Diocesan staff with an opportunity to meet Gift Aid Organisers from across the Diocese and to report on any new developments within the GiftWise system or changes to processes or HMRC rules. Prior to the Forum Gift Aid Organisers are invited to send in any topics or questions they would like to discuss. The Forum is an enjoyable occasion when Gift Aid Organisers can meet each other and exchange information and ideas. All are invited to attend Mass in Arundel Cathedral and a buffet lunch is provided.

## Useful Contacts & Websites

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| • Diocesan Gift Aid Coordinator    | Phone: 01273 859705 Email: <a href="mailto:Giftaid@abdiocese.org.uk">Giftaid@abdiocese.org.uk</a>   |
| • Carn SoftWare                    | Phone: 01236 710700 Email: <a href="mailto:helpdesk@carnsoftware.co.uk">helpdesk@carnsoftware.co.uk</a>   |
| • Envelope Systems                 | Phone: 01767 681717 Email: <a href="mailto:orders@envelopesystems.co.uk">orders@envelopesystems.co.uk</a>   |
| • Diocesan Data Protection Officer | Phone: 01273 859705 Email: <a href="mailto:COO@abdiocese.org.uk">COO@abdiocese.org.uk</a>   |
| • Diocesan Fundraiser              | Phone: 01273 859705 Email: <a href="mailto:fundraising@abdiocese.org.uk">fundraising@abdiocese.org.uk</a>   |
| • HSBCnet Link                     | <a href="https://www.hsbcnet.com/">https://www.hsbcnet.com/</a>   |
| • GiftWise Link                    | <a href="https://giftwiseandblive.azurewebsites.net/Account/Login">https://giftwiseandblive.azurewebsites.net/Account/Login</a>   |
| • HMRC Website – Gift Aid Link     | <a href="https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid">https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid</a> |
| • Diocese of Arundel & Brighton    | <a href="https://finance.abdiocese.org.uk/finance/gift-aid">https://finance.abdiocese.org.uk/finance/gift-aid</a>   |



## Appendix: Gift Aid Document Retention Schedule

As Data Controller the Diocese takes the privacy of donors seriously, and is committed to handling their personal data responsibly. Adhering to this data retention schedule will ensure that confidential data is held in a secure electronic environment, and that paper copies are not retained privately by Gift Aid Organisers.

<u>ACTIVITY</u>	<u>PROCESS</u>	<u>RETENTION/DESTRUCTION</u>
Gift Aid Declaration Forms (GAD)	All GADs must be scanned in pdf format, renamed as EG (321321 GAD) and attached to the donor record held in the GiftWise system.	Once successfully scanned and verified by the Diocesan Gift Aid Coordinator return the GAD to the donor with a copy of the Gift Aid Scheme Welcome Letter.
Standing Orders	Input the relevant information into the GiftWise system: Amount, Day, Frequency, Method, add the GAD number to the form and send onto the donor's bank. Due to GDPR do NOT scan a copy into the GiftWise system.	Mail the standing order to the donor's bank, some donors may send their standing order directly to their bank. Do not retain a copy.
One-Off Donation Envelopes of £20.01 and over	All envelopes must be scanned in pdf format and renamed as EG (321321 OO) attached to the donor record held in the GiftWise system.	Destroy by shredding as soon as successfully scanned and verified by the Diocesan Gift Aid Coordinator.
Aggregated Claims: One-Off Donation Envelopes of £20.00 and less	All envelopes must be scanned in pdf format, renamed as EG (3911111 AG) and attached to the aggregated claim held in the GiftWise system.	Destroy by shredding as soon as successfully scanned and verified by the Diocesan Gift Aid Coordinator.
Correspondence from Donors: letters, notes, emails etc.	All critical correspondence must be scanned in pdf format, renamed as EG (321321 Letter/COA/RIP) and attached to the record held in the GiftWise system.	Destroy critical and non-critical correspondence by shredding as soon as successfully scanned. Delete the emails.
Electronic Files: mainly but not exclusively Excel and Word files	All information should be recorded and processed on the GiftWise system only.	These files <b>may not</b> be held on a Gift Aid Organiser's personal PC and should be deleted.
Weekly and Special Donation Envelopes	All envelopes must be retained for the current tax year. In addition, a one-month sample for the preceding six years must be retained for audit purposes.	Following the end of each tax year only a one-month sample of the donation envelopes should be retained and the one-month sample over six years old is to be destroyed.