

Christian Congregation of Jehovah's Witnesses



The Ridgeway, London, NW7 1RN Telephone: 020 8906 2211

TAA:TAC April 25, 2013

TO ALL CONGREGATIONS IN BRITAIN AND NORTHERN IRELAND

Re: Gift Aid changes in April 2013

Dear Brothers:

Beginning in April 2013 HM Revenue and Customs (HMRC) have introduced some changes to the way Gift Aid can be claimed and started a new scheme that will benefit all congregations that make Gift Aid claims. Information about these changes is found on the HMRC website (hmrc.gov.uk) and we would encourage the congregation secretary, or whoever handles Gift Aid in your congregation, to look at the website to see full details of these changes.

New Online Service for claiming Gift Aid: The current R68(i) *Gift Aid and tax repayment claims* form is being replaced by new methods of claiming Gift Aid. The new claims forms require you to enter address details for each donor.

- ChR1 Gift Aid and tax repayment claim. This is a paper form that is designed for use by small charities that make a limited number of claims each year. You can request the ChR1 form by contacting the HMRC Charities Helpline on 0845 302 0203.
- HMRC Online Services form. This is an Excel based spreadsheet that can be downloaded from the HMRC website. To submit this form the congregation will need to register with the HMRC Online Services which will involve setting up an account name and password.

Please note that you can still make your Gift Aid claim for the year ended 31 March 2013 (the end of the financial year for congregations) using the existing R68(i) form as long as you submit your claim before the end of September 2013.

Gift Aid Small Donations Scheme (GASDS): This new scheme allows charities to claim a top-up payment on anonymous cash donations of £20 or less as if the donations were Gift Aid. This is in addition to the existing Gift Aid arrangement.

As before, your annual Gift Aid claim will be made by entering the details of your Gift Aid donors. To claim the Gift Aid on the small cash donations of £20 or less, you simply add an additional line for the total of these on the claim. There are certain limits to the Scheme:

- Only congregations that have submitted Gift Aid claims in recent years qualify for the GASDS.
- The charity can claim up to ten times more GASDS than the Gift Aid claim it submits. (If your annual Gift Aid donations total £100 you can claim on Small Donations up to a limit of £1,000 that year).
- A maximum of £5,000 GASDS can be claimed per charity each year.

The charity is expected to honestly do its best to claim only on small cash donations of £20 or less. For example, if three £10 notes are received in the contribution box then the charity can in all good conscience assume that three individuals have donated £10 each. The £30 total will qualify for the GASDS. However if three £10 notes are found in an envelope, or folded together, that is clearly a donation of £30 and so cannot be considered a "small donation."

In order to benefit from this new scheme, the congregation needs a clear audit trail for all donations that will qualify for the GASDS. Therefore we recommend that the accounts servant immediately adopts the following procedure.

Procedure for handling Small Donations under GASDS

1. The two brothers assigned to open the contribution boxes first open, count and record donations received in the contribution boxes for the Worldwide Work and Kingdom Hall Construction Worldwide on a *Receipt* form (S-24). (GASDS does not apply to these donations as they are not to benefit your congregation).
2. Open the Congregation Contributions box and separate small individual donations of £20 and below. Contributions above £20 can be added onto the first S-24 form together with WWW and KHF donations.

RECEIPT			
Received from: Contribution Boxes		Date: 16/04/2013	
Contributions—Worldwide Work		£50.00	
Contributions—Kingdom Hall Construction Worldwide		£30.00	
Contributions—Local Congregation Expenses		£50.00	
_____		_____	
_____		_____	
TOTAL		£130.00	
<i>A Servant</i>	A Servant	<i>A Brother</i>	A Brother
<small>(Accounts servant—Sign and print name)</small>		<small>(Verified by—Sign and print name)</small>	
<small>Please immediately separate original receipt from carbon copy. The funds and original receipt are kept by or given to the accounts servant. The carbon copy is given to the secretary by the person verifying the count.</small>			
<small>S-24-E Bi 3/10</small>			

3. Make out a second S-24 form for recording small donations. You should list the denominations contributed, such as £20 x 1, £10 x 3, £5 x 1, £1 x 3 = Total £58.00 (see example below).

RECEIPT			
Received from: Contribution Boxes		Date: 16/04/2013	
Contributions—Worldwide Work		_____	
Contributions—Kingdom Hall Construction Worldwide		_____	
Contributions—Local Congregation Expenses		_____	
Small donations		_____	
£20 x 1; £10 x 3; £5 x 1; £1 x 3		£58.00	
_____		_____	
TOTAL		_____	
<i>A Servant</i>	A Servant	<i>A Brother</i>	A Brother
<small>(Accounts servant—Sign and print name)</small>		<small>(Verified by—Sign and print name)</small>	
<small>Please immediately separate original receipt from carbon copy. The funds and original receipt are kept by or given to the accounts servant. The carbon copy is given to the secretary by the person verifying the count.</small>			
<small>S-24-E Bi 3/10</small>			

4. The two brothers should both sign the S-24 forms and print their names.
5. Enter the small cash donations on a separate line on the *Accounts Sheet* (S-26).

ACCOUNTS SHEET

Anytown, Central
 (Congregation or circuit)

April
 (Month)

20XX
 (Year)

DATE	TRANSACTION DESCRIPTION	TC	RECEIPTS		CURRENT ACCOUNT		OTHER:		
			IN	OUT	IN	OUT	IN	OUT	
16	Contributions - WW	W	50.00						
16	Contributions - KHCW	K	30.00						
16	Contributions - Congregations	C	50.00						
16	Contributions - Small cash donations	SC	58.00						
17	Banked - General contributions	D		130.00	130.00				
17	Banked - Small cash donations	D		58.00	58.00				

6. When depositing cash at the bank you should deposit the GASDS donations separately from other cash donations so that the exact amount is deposited.

There is much more information about all these new arrangements on the HMRC website where you will find answers to any additional questions you may have. We hope that the above summary will allow congregations to start to record small donations in such a way that they can benefit from the GASDS arrangement this year.

The Gift Aid Small Donations Scheme requires a small amount of extra work for the accounts servant. The new Gift Aid claim forms also require more information than previously requested and so will require slightly more work. The benefit to the congregation is the opportunity to claim an additional contribution from the government of up to £1,250 on cash donations.

Please receive our warm Christian love and greetings.

Your brothers,
*Christian Congregation
 of Jehovah's Witnesses*

PS to the secretary: This letter should be retained in the congregation file with other letters relating to accounts.