

WI Membership Subscriptions and Gift Aid

Under the Gift Aid scheme, charities can reclaim the basic rate tax paid on donations to the charity. This amounts to 25p per £1 donated.

There's a statutory requirement, under Gift Aid, for payments to be gifts. This means that payments that are made to acquire goods or services aren't eligible for Gift Aid. However, there are rules within the Gift Aid legislation that allow charities to provide donors with token benefits, within specified limits, in recognition of their gifts.

Most membership subscriptions aren't gifts, they're made to gain access to the facilities and services provided by the charity. However, membership subscriptions paid to charities that secure voting rights and the right to attend a charity's AGM are gifts provided they meet the conditions in the next paragraph. These payments will, of course, still have to satisfy the benefit rules referred to above.

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-337-membership-subscriptions>

From 2018, WIs may claim Gift Aid on the WI share of the membership subscription only.

An explanation of the changes for 2018 is given at the end of this guidance note.

The subscription qualifies as a donation for Gift Aid provided that a member:

- has paid at least as much Income Tax or Capital Gains Tax in the tax year to cover the Gift Aid claimed by all charities they donate to. Please note if a member has not paid sufficient tax and still completes a declaration then the member would owe the shortfall to HMRC.
- has made a Gift Aid declaration
- has not received benefits worth more than 25% of the WI share of the subscription paid.

The value of benefits to members

Gift Aid cannot be claimed if a member has received benefits worth more than 25% of the WI share of the subscription in any year.

A member is deemed to receive a benefit if she receives goods or services that a non-member would have to pay a higher charge for. Therefore if your WI charges visitors to attend meetings or charges non-members a higher rate for other WI activities, this will give rise to a benefit and it is unlikely that you will be able to obtain Gift Aid on subscriptions. A claim would only be possible if the WI kept detailed records of these payments and the total paid by any individual visitor in the year was less than 25% of the WI share of the subscription.

Therefore if your WI invites visitors to make a donation to the WI rather than pay a charge this does not count as a benefit to members. The WI must make it abundantly clear that no charge is made to visitors but that they welcome donations to support the WI's work. There should be no question of a minimum or required amount and there must be no link between making a donation and attending the meeting.

If a visitor makes a donation and completes a Gift Aid declaration, the WI will be able to include the donations in its Gift Aid claim.

Note that you do not need to take account of higher charges for non-members to attend federation events or Denman as these benefits are provided by the federation or the NFWI, not by your WI.

References to HMRC guidance are correct at the date of writing.

HMRC Guidance

HMRC provides detailed and helpful guidance about the Gift Aid scheme online at <https://www.gov.uk/claim-gift-aid>

Gift Aid declarations

Each member who wishes to join the Gift Aid scheme must complete a Gift Aid declaration. The attached declaration form is based on HMRC's model declaration and meets its requirements.

The declaration remains valid for Gift Aid claims in future years until the member notifies the WI that they wish to cancel it or are no longer paying sufficient tax.

Declarations made before 2018 remain valid for the WI share of the subscription.

Registering with HMRC for recognition as a charity

Before claiming Gift Aid for the first time, your WI must register with HMRC to be recognised as a charity for tax purposes.

A WI can be recognised by HMRC as a charity even if it is not registered with the Charity Commission. You will need to provide your WI's signed constitution as evidence of charitable status. If this is not available within your WI you can request a copy from the NFWI.

To register, you should follow the online instructions at <https://www.gov.uk/charity-recognition-hmrc>

Registering for the HMRC Charities Online service

If you intend to make Gift Aid claims online you must also set up an HMRC Online Services account and register for the Charities Online service. Instructions are given at: <https://www.gov.uk/guidance/claim-tax-back-on-donations-using-charities-online>

If you don't want to make claims online there is currently the option of completing a paper form – see below.

Making a Gift Aid claim

Gift Aid claims can be made at any time whether online or on paper. See HMRC's guidance at <https://www.gov.uk/claim-gift-aid/how-to-claim>

1. Claim using the HMRC Charities Online service

Complete the online claim form and also attach a Gift Aid schedule spreadsheet, which you must download from HMRC's website then enter details of individual donors and the amounts donated.

2. Claim by post on HMRC form ChR1

You must order the form from HMRC Charities Helpline on 0300 123 1073 and complete with a list of donor details, then return by post to HMRC.

Keeping records

Your WI must keep records for each member in the Gift Aid scheme including her name and address, the amount and date of each donation, and the member's Gift Aid declaration form. You must also keep a record of any declarations that are cancelled by members.

You must keep sufficient records for each claim that show that the claim is accurate and that all the conditions of Gift Aid are met. Records will include evidence of the receipt of subscriptions from individual members and full details of any benefits.

The charity must maintain an audit trail linking each donation to an identifiable donor who has given a valid Gift Aid declaration including relevant banking records, a copy of any written statement that the charity is required to send to the donor, all correspondence with the donor relating to the donation and evidence that all the other conditions for the tax relief are satisfied for example provision of benefits.

Records must be kept for at least six years after the accounting year for which a claim is made. If the WI does not keep adequate records HMRC may require any tax reclaimed to be paid back.

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-327-keeping-gift-aid-records>

***The change in 2018** has arisen because of a change in the accounting treatment of subscriptions so that in future, only the WI share of the subscription is accounted for as its own income. The WI is acting as agent by collecting and passing on the federation and NFWI shares of the subscriptions.*

In principle, the federation and the NFWI can claim Gift Aid on their shares of the subscription. To do this they would have to rely on the WI to obtain and pass on new Gift Aid declarations listing all three parties. They would also ask your WI to maintain and provide on request details of the amount and date of the members' payments. Your federation will contact you to discuss detailed arrangements which will enable federations and the NFWI to claim Gift Aid.

Gift Aid Declaration

Boost your subscription by 25p of Gift Aid for every £1 you pay

Your membership subscription is split between your WI, your local Federation and the NFWI. The NFWI writes to your WI each year stating the portion that goes to each party and you can also view this on the WI website. Each share of your subscription qualifies as a donation for Gift Aid which is reclaimed by the charity from the tax you pay for the current tax year.

Please complete this form and give it to your WI. A copy will be forwarded to your Federation and the NFWI. Your address is needed to identify you as a current UK taxpayer.

PLEASE COMPLETE IN BLOCK CAPITALS

In order to Gift Aid your donation you must tick the box below:

I want to Gift Aid my donation of £43 and any donation I make in the future or have made in the past 4 years to:

Name of WI: _____ £21.10 and

Federation name: _____ £10.00 and

The National Federation of Women's Institutes (NFWI) £11.90

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

My Details

Title _____ First Name or initial(s) _____

Surname _____

Full Home Address _____

_____ Postcode _____

Signature _____ Date _____

Please notify the WI if you:

- want to cancel this declaration
- change your name or home address, or
- no longer pay sufficient tax on your income and/or capital gains.

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

Data Protection: Your personal information is collected to enable your WI, Federation and the NFWI to claim Gift Aid on their shares of the WI subscription. Your information will be shared with HMRC for this purpose; <https://www.gov.uk/donating-to-charity/gift-aid>. Your information will be held securely by the WI, Federation and the NFWI for six years in accordance with tax and data protection laws. If you have any queries on how your data is handled, please email the NFWI at dataprotection@nfwl.org.uk The full NFWI Privacy Policy can be found online - <https://www.thewi.org.uk/privacy-policy>.