

GIFT AID - FOR CLUBS WITH CHARITY STATUS - DON'T MISS OUT



Did you know that clubs can claim gift aid on eligible donations which can include membership fees and obtain repayments from HM Revenue & Customs of 25p for every £1 donated. This can then be used to fund expenditure which you previously thought was out with your reach.

It is not often you get something for nothing nor indeed that government organisations actively want you to claim it but that is exactly what you have with gift aid.

HM Revenue & Customs announced in March 2018 that they believed charities under claimed gift aid to the tune of £600m every year and suggested that clubs should be reviewing their income streams to make sure they do not lose out on money they can rightly claim

Whilst there are certain criteria that have to be fulfilled the core objectives of most clubs allows the tax professionals here at BDO to undertake a full review of accounts and give their findings which will allow the Clubs to make repayment claims in confidence.

In addition Clubs that have charitable status can review past claims, in some instances for 4 years, to ensure sufficient claims have been made.

Below is a simply example of what can be achieved

Example

A club has 200 members each making eligible donations, which can include membership fees, of £100 per annum.

175 of the members sign up to give the money via gift aid

A tax repayment of £4375 can be claimed from HM Revenue & Customs

$(£100 \times 175 = £17500 \times 25\% = £4375)$

In addition HM Revenue & Customs have increased to £30 the amounts that can be received per person under the small donations scheme without the requirement to get a gift aid declarations.

This further allows clubs to claim repayments on eligible donations obtained at fund raising events keeping only the basic records of the event and money raised.

Finally HM Revenue & Customs have also changed the formula required to be used when clubs make a 'gift' following a donation (and in certain circumstances at charity auctions). This can now increase the value of the benefit allowing more donations to be considered.

BDO are proud to have assisted sports clubs claim over £100,000 in refunds in the last two years which would otherwise have gone unclaimed.

FOR MORE INFORMATION PLEASE CONTACT:



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