

**ROYAL AGRICULTURAL BENEVOLENT
INSTITUTION**

GIFT AID – QUESTIONS AND ANSWERS



Q1. – Why have there been changes?

A – These changes have been introduced in an attempt to encourage people to give more to charities and to help offset income that charities may have lost as a result of the withdrawal of tax credits on investment income.

Q2. – I used to pay an annual subscription to RABI under a deed of covenant, will these changes affect this?

A. – Existing deeds of covenant in place before 6 April 2000 will continue for the life of the deed. The only difference is that RABI will collect the tax due under the new Gift Aid Scheme. However we would like to encourage donors to replace their existing covenant with a Gift Aid declaration as it is much more flexible for both the donor and the charity.

Q3. – I would like to give to RABI but do not want to commit myself to giving on a regular basis, is there any way I can do this?

A. – Yes, by completing the Gift Aid declaration now and sending it in to RABI before you send your next donation. We will record your declaration, and when you send in a donation we will be able to claim back basic rate tax on the amount automatically, provided your tax status has not changed.

Q4. – My company donates to RABI, how will these changes affect my ability to Gift Aid the donation?

A. – From 1 April 2000 Gift Aid donations made by companies and partnerships to charities must be paid without deduction of income tax. They will pay any donation as the gross amount and then claim tax relief when calculating their profits for corporation tax. They do not have to make a Gift Aid declaration.

Q5 - What about Sole Traders and Partnerships?

A. - Sole trader can make Gift Aid payments, which will be treated as "donations by an individual" for income tax purposes provided it comes from their drawings.

Q6. – On the new Gift Aid Declaration form it states I have to be a taxpayer. What happens if I stop paying tax?

A. – Then you must advise us, if you make further donations after this point, and tell us that you are no longer a taxpayer. In this event, we would no longer be able to claim tax relief on payments you may send us.

Q7. – What happens if I move house?

A. – Just let us know the change of address and confirm that your declaration is still valid.

Q8 – Can I put my work address so that I will not be contacted at home?

A. – No, In order to comply with the Gift Aid rules the charity must have the home address of the individual completing the form. Should you not want to be contacted or mailed then please advise and this can be arranged and your record marked accordingly.

Q9. – On the Gift Aid declaration there are a two options for me to choose, can I choose more than one?

A – No, if you only want donations you have made from the date you sign, item 1, then delete item 2, if you would like all donations you have given in the past as detailed on the form, item 2, then delete item 1.

Q10. – How far back can a gift aid donation be made?

A. – New changes are coming into effect from 1 April 2010, up to that point RABI can claim gift aid on donations made up to 6 years before. From that date then only 4 years can be claimed. if you would like all donations you have given in the past as detailed on the form, item 2, then delete item 1.

Q11. – Can my spouse and I make a joint declaration?

A. – Yes, The declaration must include the full names of and addresses of both parties, both must be taxpayers and must make it clear how any donation is to be split. Otherwise it is suggested that the individual partner who is the taxpayer completes the form.

Q12. – What if I am a higher rate taxpayer?

A – From April 2000 donors will be able to claim higher rate tax relief for their donations against both income tax and or capital gains tax.

Q13. – Can I Gift Aid money I raise on behalf of RABI?

A – No, for a donation to be valid for Gift Aid it must be the donor's own money and UK income tax or capital gains tax must have been paid on it.

Q14. – We are having a small lottery in aid of RABI can I get the ticket purchasers to “Gift Aid” the payments?

A - No, The payment to purchase a raffle ticket from RABI is not a gift to RABI but a payment for a right to enter the raffle.

Q15. – How can I obtain a Gift Aid declaration form and/or a Standing Order Form?

A – Just contact RABI by letter, phone, fax or e-mail and ask for the relevant forms or if you have access to the Internet they can be downloaded from our site.

Contact details are:

Address: Shaw House, 27 West Way, Oxford OX2 0QH.

Telephone: 01865 724931 Fax: 01865 202025

E-mail: info@rabi.org.uk Internet: www.rabi.org.uk

Q16. – I have a few more questions that are not on this fact sheet, where do I get the answers from?

A. – By contacting RABI Head Office and asking for the Finance Section. If we are unable to answer your question straight away, then we will ensure that we obtain an answer and get back to you with it.