Charities Online is the new way that charities are required to claim Gift Aid repayments from HMRC.

**WHY IS IT IMPORTANT?**

Charities Online is the biggest change to Gift Aid in years, significantly changing the way Gift Aid is claimed by charities. No charity should underestimate the impact the new system will have on their claims process. By planning now charities can minimise the risk that Gift Aid claims will be delayed or reduced in value… Are you ready?

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<th>THE KEY CHANGES</th>
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<td>New ways of submitting Gift Aid repayment claims</td>
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<td>More information required to support a valid claim</td>
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<td>Changes in how Gift Aid claims can be made against types of donations</td>
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<td>Faster repayments and more accurate claims process</td>
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<th>THE KEY DATES</th>
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<td>6 April 2013 Start of Gift Aid Small Donations Scheme</td>
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<td>22 April 2013 Charities Online goes live</td>
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<td>30 September 2013 End of transition period. All claims must be made using one of three new options. R68i form will be discontinued</td>
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**PLAN FOR THE CHANGE**

- ✓ Read the information that HMRC has released about Charities Online.
- ✓ Make sure that you involve IT colleagues and think about which of the three options (online claim form, claim using own database, claim using paper form) your charity will take to claim Gift Aid after April 2013.
- ✓ Check which of the following steps might you need to take:
  - Register with the Government Gateway
  - Download and start using the new schedule spreadsheet
  - Speak to your software supplier or internal software development teams
  - Order the new paper forms from HMRC Charities (0845 302 0203)
- ✓ Get your Gift Aid claims, records and declarations as up to date as possible before you switch over to Charities Online.
- ✓ Ensure that your Gift Aid systems are capable of collecting all of the required information including postcodes from donors.
- ✓ Remember that Charities Online will give HMRC increased ability to scrutinise Gift Aid claims. Make sure your Gift Aid claim processes are robust and satisfy HMRC’s requirements.
- ✓ Check to see whether your charity could benefit from the Gift Aid Small Donations Scheme

**USEFUL LINKS**

- Charities Online – Guidance
- Charities Online – Frequently Asked Questions
- Charities Online – Spreadsheet Information
- Charities Online – Tech Pack
- Charities Online – Software suppliers
- Charities Online - Demonstrator
- Gift Aid Small Donations Scheme – Guidance

**USEFUL CONTACTS**

- HMRC Charities Helpline – 0845 302 0203
- HMRC Charities: Enquiry Form
- HMRC, Charities Correspondence S0708, PO Box 205, Bootle, L69 9AZ
- Charity Tax Group: www.charitytax.info
- Charity Finance Group: www.cfg.org.uk
- NCVO: www.ncvo-vol.org.uk
- Institute of Fundraising: www.institute-of-fundraising.org.uk
Charities Online will go live on **22 April 2013**. The current repayment form will be replaced by three options for making Gift Aid claims. Charities can claim using more than one option at the same time.

Which option is right for you? This will usually depend on the size of your claims and the complexity of the systems you may use for managing your donations.

**HMRC has announced a transition period** until 30 September 2013 in which it will continue to accept current forms. But they may take longer to process in that period.

**Option 1: Claim using an online form**

This option is likely to be best for charities filing Gift Aid claims for fewer than 1,000 donors at a time. However, there is no limit to the number of these claims you can submit in a year. The online claim forms will have fields you must fill in, and will automatically check that the information has been entered in the correct format.

Charities using Option 1 will need to record donations on a ‘Gift Aid schedule spreadsheet’ and attach it to an online claim form. Charities can start to use these spreadsheets now, so that they are ready to submit a claim from 22 April 2013. If you already have information saved on your own spreadsheet, you can copy and paste it into your schedule spreadsheet.

**Option 2: Claim through your own database**

This option will be best for charities wanting to make Gift Aid claims for more than 1,000 donors at a time, although it can also be used to make smaller claims. Those choosing this option will be able to send claims directly from their own internal database or system, with details for up to 500,000 Gift Aid donors per claim. Charities wishing to use this system will either need to develop their own compatible software package or purchase a suitable package from a software provider. Information about software requirements can be found [here](#).

**HMRC’s Online Services** — Charities that wish to make Gift Aid repayment claims using the **online form** or through their **own database**, need to sign up to use HMRC’s Online Services (through the Government Gateway), and enrol for Charities Online (you may already be registered for other reasons). HMRC will provide a step-by-step guide on what charities will need to do to sign up for and use the service in April.

**Option 3: Claim using a paper (ChR1) form**

This option is for those charities that do not have access to the internet or wish to use a manual form. Charities wishing to claim this way must order the forms from the HMRC Charities Helpline; old forms or photocopies of the new one will not be accepted. Charities will then need to complete the form **by hand** and return it by post to HMRC.

The form is designed so that HMRC can automatically scan the information into the new system. There will be no limit to the number of claims that can be submitted (although only 90 Gift Aid donors can be included on each individual claim). It will be time consuming to prepare.
CHARITIES ONLINE – OTHER THINGS CHARITIES NEED TO KNOW

Other income claims

Charities can claim back income tax deducted from income such as bank and building society interest. These claims will need to be made using one of the three Charities Online claiming options and will be included on an Other Income schedule spreadsheet.

Donor information

All claims will need to include the following minimum donor information:

- title (optional);
- donor initials or first name;
- donor surname;
- donor's address (house name/number and the postcode);
- date of donation;
- value of donation

Charities need to think about what these changes mean and ensure that all the necessary information is being collected.

As charities have not previously been required to have postcodes for all of their donors, there will be a transition period until April 2014. From then on postcodes will become mandatory (except where the donor has a non-UK address).

Sponsored events

All donations for a sponsored event can be put as one entry under the name of that participant with no requirement to list virtually every individual donor. But any sponsorship donations of £500 or more will need to be listed individually.

“Aggregated” donations

The number of entries on a Gift Aid claim can be reduced. Charities are able to “aggregate” an individual’s Gift Aid donations of £20 or less, up to a total of £1,000 per entry. Charities will still need to keep details of all donations in case HMRC needs to check your claim.

Gift Aid Small Donations Scheme (GASDS)

GASDS is a new scheme that will allow charities to claim a top-up payment on cash donations of £20 or less without the need to collect Gift Aid declarations subject to certain eligibility and Gift Aid matching criteria being met. Charities will generally be able to claim on small donations of up to £5,000 per year (resulting in a repayment of £1,250 for the charity). **Payments under the GASDS can only be claimed using Charities Online.**

HMRC has published [entry level guidance on the GASDS](#). The guidance includes a number of flowcharts to help charities work out whether they’re eligible for the scheme and how much they can claim. Further detailed guidance will be published shortly.