

Charitable Giving in a Tax Efficient Way

Providing you are a taxpayer tax relief is available for donations to charities. The main method of giving is through the Gift Aid Scheme.

Key features of the Scheme

1. The scheme replaces the old Deed of Covenant.
2. For every pound donated to the charity under the scheme the charity can claim an additional 28p from the Inland Revenue.
3. There is no minimum level of donation.
4. The scheme can apply to one off donations or regular giving.
5. The giving can be done by telephone or over the Internet. The only details which the charity needs to record are the name and address of the donor.
6. If the donor a higher rate tax payer then additional tax relief is given to the donor.

Procedure for the Charity

The claims procedure is quite straightforward and involves submitting regular claims.

Charities Aid Foundation (CAF)

This organisation acts as a charity bank. Payments into an individual's CAF bank account are paid net by the taxpayer and CAF claim the tax relief from the Inland Revenue. This tax relief is credited to the individual's personal CAF account. Cheques or credit card donations can then be made gross from the CAF account to the specific charities to which the individual likes to make donations.

CAF have a website which is www.allaboutgiving.org

If you would like further information on this then why not give us a call and save tax on your giving as well.