

Small Charitable Donations Bill: What does it really mean for Charities?

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The Small Charitable Donations Bill proposes a 'Gift Aid Small Donations' scheme that will allow charities and Community Amateur Sports Clubs ('CASCs) to claim a type of Gift Aid on small donations. The scheme will not replace Gift Aid, but instead run alongside it.

Charities and CASCs will be able to claim the relief on small donations of up to £20. The maximum a charity can claim on per year is £5000. To qualify for the relief charities must raise £1 under Gift Aid for every £2 raised under the scheme.

For charities that use collecting tins and similar methods to accumulate small donations, but struggle to record the donor's details, the bill presents a welcome improvement and addresses a concern not presently covered by Gift Aid.

The Bill is scheduled to be enacted from April 2013. However, a number of issues have arisen such as *'connected'* charities having to share the £5000 allocation between them. The connection can be as simple as a trustee sitting on both charities' boards.

Certain restrictions have been put in place to prevent any abuse of the new scheme. Charities must have been registered with HMRC and successfully claimed Gift Aid for the last three years in order to qualify for relief. New charities will therefore be unable to take advantage of the scheme. HMRC have drafted a helpful [guidance note](#) those who may benefit.