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## **Guidance notes for Gift Aid and Connexional Funds Secretaries**

### **Record keeping**

1. When entering donations to your FWO register/ spreadsheet a column must be completed for each Sunday and donations must be recorded against the date they were received. (NB: Where more than one envelope for the same donor is received on an individual Sunday the amounts from each envelope should be added together and the total recorded as one donation against the date the donation was received.) Each column should have the date recorded at the top and each page should have a title. The grid lines on spreadsheets should also be shown. Each donor must have their title, full initials and surname recorded. In the case of husbands and wives the donations should be recorded against the donor who has completed the Gift Aid Declaration form.
2. Separate spreadsheets/ lists should be kept for each special collection or Connexional fund e.g. Harvest, Gift Day, 1% Appeal, Home Mission etc.
3. All spreadsheets/ register pages should have their **columns and rows totalled** i.e.: downwards and across the page.
4. **Bank lodgement stubs** should show a breakdown of what the money was for i.e. FWO, Gift Day, Harvest, 1% Appeal etc or the breakdown should be recorded separately
5. Records are required to be kept for a period of six years, including Bank statements and Connexional fund envelopes. **All records should be kept with the exception of FWO envelopes and in this case one month's supply of recorded envelopes should be kept for each year. (Both Gift Aid and non-gift aid.)**

### **Making returns to the Trustees Office**

1. When calculating donations for the Donations Received Report Report, the dates at the top of the document should be adhered to. The dates are 1<sup>st</sup> January – 5<sup>th</sup> April, 6<sup>th</sup> April – 30<sup>th</sup> June, 1<sup>st</sup> July – 30<sup>th</sup> September & 1<sup>st</sup> October - 31<sup>st</sup> December.
2. If a donor's name does not appear on the Donations Received Report then a Gift Aid Declaration form should be completed by the donor and sent in with the report otherwise the donation cannot be claimed and can only be claimed when the Gift Aid Declaration form is received. We will process the Gift Aid Declaration form and the donors name will appear on the next Donations Received Report for your Church.
3. Deceased donors, listed on the Donations Received Report, should have their names annotated accordingly so that their names can be removed from the next list and our database updated.
4. Similarly donors who have left the Church, moved to another Church or no longer pay Tax, should have a note placed beside their name in order that their name can be removed from the next Donations Received Report. Should any of these donors return to the Church or begin to pay Tax again then they can be reinstated by simply informing this office.

5. Donors who have changed their surname or address should be asked to put the changes in writing and the letter should be forwarded to this office.
6. Totals should be double checked and if there is more than one page in the Donations Received Report then each page should also be totalled separately.
7. Donations must always be recorded against the date on which they were received. Any 'year end' donations must be recorded against the date received and claimed in the correct Tax period.
8. Where possible Donations Received Reports should be returned by the date specified.
9. If there are no donations to be claimed a 'nil' return is required.
10. When the claim has been processed and the tax refund paid to us by HMRC you will receive your refund – normally by automated bank transfer directly into your church bank account or occasionally by cheque.
11. At the same time you will receive, by post, a Tax Paid Report which will list the donors' names and the amounts claimed. This list should be checked carefully against your records and any errors reported to this office to ensure that HMRC are advised promptly and any donations claimed in error repaid.
12. If an existing donor decides to sign a Gift Aid Declaration form and indicates that previous donations can be claimed (i.e. ticks option 3 on the form.) then donations should be totalled for each calendar year i.e. 1<sup>st</sup> January to 31<sup>st</sup> December. Gift Aid tax donations can be backdated for 4 years.
13. Periodically your church should be advising all Gift Aid donors that they are paying enough tax to cover all their donations and it is their responsibility to repay the difference back to HMRC should they have paid insufficient tax.

### **Connexional Funds**

1. When you receive the Connexional fund envelopes from the congregation the money in each envelope should be counted and the total written on the envelope by the counters.
2. The money should be lodged to the Church bank account and a clear note should be made on the lodgement stub listing what the money was for. A cheque should then be forwarded to the relevant Connexional fund Treasurer. **NB: Please note that cheques should not be sent to this office.**
3. The envelopes which are not signed for Gift Aid can be filed and retained for 6 years.
4. The signed envelopes are split into 2 blocks - those who have signed a Gift Aid Declaration with the Trustees and those who have not. (If necessary a list of the donors who have signed a form can be obtained from our office.)
5. A list should be prepared (alphabetically by surname) giving the title, initials, surname, Gift Aid Reference number, amount of donation and date of donation of those donors who have signed a Gift Aid Declaration with the Trustees. The envelopes for these donations should be retained by the Church for a period of six years.
6. Another list should be prepared in the same manner as above (except there will be no column for Gift Aid Reference number) for those donors who have not signed a Gift Aid declaration form with the Trustees but have completed the Gift Aid Declaration on the reverse of the envelope.  
**NB: Please note that the envelopes for these donors should accompany the list to our office.**
7. The lists and the relevant envelopes should be forwarded to this office for processing. Copies of these lists should be retained by your Church.

8. When we have processed the donations and the Tax Refund has been received from HMRC we will forward a cheque on behalf of your Church to the Connexional fund treasurer. At this time a printout of the details regarding the donations will be returned to your Church. The above procedure should always be followed and the relevant records kept in order to maintain a clear audit trail as required by HMRC.

### **MWI Donations**

1. When you receive the MWI Easter Offering envelopes the money in each envelope should be counted and the total written on the envelope by the counters. Similarly, Missionary boxes should be opened and the contents counted but a list should be made detailing the donor, the amount received and the date the donations were received.

2. The money should be lodged to the Church bank account and a clear note should be made on the lodgement stub listing what the money was for. A cheque should then be forwarded to the MWI Treasurer.

**NB: Please note that cheques should not be sent to this office.**

3. The Easter Offering envelopes which are not signed for Gift Aid can be filed and retained for 6 years.

4. The signed Easter Offering envelopes are split into 2 blocks - those who have signed a Gift Aid Declaration with the Trustees and those who have not. (If necessary a list of the donors who have signed a form can be obtained from our office.)

5. A list should be prepared (alphabetically by surname) giving the title, initials, surname, Gift Aid Reference number, amount of donation and date of donation of those donors who have signed a Gift Aid Declaration with the Trustees. **The Easter Offering envelopes for these donations should be retained by the Church for a period of six years.**

6. Another list should be prepared in the same manner as above (except there will be no column for Gift Aid Reference number) for those donors who have not signed a Gift Aid declaration form with the Trustees but who have completed the Gift Aid Declaration on the reverse of the envelope. **Please note that the envelopes for these donors should accompany the list to our office.**

7. A third list should be prepared for the Missionary Box donations, (alphabetically by surname) giving the title, initials, surname, Gift Aid Reference number, amount of donation and date of donation. **NB: These donors must complete or have already completed a Gift Aid Declaration.**

8. The lists and the relevant envelopes should be forwarded to this office for processing. Copies of these lists should be retained by your Church.

9. When we have processed the donations and the Tax Refund has been received from HMRC we will forward a cheque on behalf of your Church to the MWI treasurer. At this time a printout of the details regarding the donations will be returned to your Church. The above procedure should always be followed and the relevant records kept in order to maintain a clear audit trail as required by HMRC.

### **Sponsored events**

HMRC also allows for Gift Aid to be reclaimed on sponsored events however claims for sponsored events should be made separately.

If someone wants to do a sponsored event in aid of Church funds then a specific sponsorship form should be used.

The sponsorship form must include the following:

- a. The name of your church
- b. The sponsor's full name
- c. The sponsor's home address including postcode
- d. A Gift Aid declaration
- e. A column containing a checkbox for the donor to tick, indicating that they want their donation to be treated as a Gift Aid donation and that they understand what the Gift Aid declaration means.
- f. A note explaining that the sponsors must pay a sufficient amount of tax at least equal to the amount that all the charities will claim.

### **Donations that do not qualify for Gift Aid**

- Donations of money from a company.
- Donations in the form of a loan waiver or debt conversion - for example an individual may lend money to your church and then, at a later date, agree that it does not have to be paid back - this is not a gift of money it is the waiver of a loan.
- Gifts made on behalf of other people for example a membership subscription paid on behalf of somebody else - this is a gift of membership from the payer to the member not a gift made to the church.
- Gifts that come with a condition about repayment.
- Gifts with enforceable conditions about how your church should use the money - for example on condition that it buys goods or services from the donor.
- Payments received in return for goods or services - these are not gifts - for example payment for admission to a concert, payment for a raffle ticket, an entrance fee for an adventure challenge event etc.
- A 'minimum donation' where there is no choice about payment - this is simply a fee for goods or services, it is not a gift.
- Gifts made using 'charity vouchers' or 'charity cheques' provided by another charity.

**Any Gift Aid queries should be directed to Mrs Donna Ahrens/Mrs Carol Gilmore ([giftaid@irishmethodist.org](mailto:giftaid@irishmethodist.org)) or 028 90324554**

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