

Gift Aid Small Donations Scheme (GASDS) during COVID-19 – 15th May update from HMRC

Advice received through the Churches' Legislation Advisory Service (CLAS) and the Charity Tax Group

You may be concerned about the working of the Gift Aid Small Donations Scheme (GASDS) during the coronavirus crisis, given that many eligible cash donations could be lost. Donors who would ordinarily make small donations each week were asking if they could keep aside the individual donations that they would normally give, and make them separately once the crisis is over, above the standard £30 limit.

There were requests to HMRC for flexibility in the operation of the GASDS scheme, by accepting multiple cash donations of £30 or under that have been saved up during the crisis.

HMRC officials have now responded: *"In respect of GASDS, guidance on the eligibility for donations for inclusion in this scheme is clear in stating that claims can only be made on cash donations of £30 or less; and contactless card donations of £30 or less collected on or after 6 April 2019.*

"The decision over what constitutes an eligible donation is one for the church/charity to make for themselves, rather than for HMRC, but the conditions for something to be considered a 'small donation' are clearly set out in legislation.

"Where it is the case, for example, of separate donations being given in a single envelope, then if the church/charity official is happy these are clearly separate 'small donations' (and clearly stated as such) then they will be eligible for GASDS, as is the case where separate envelopes are used".

This is a welcome and pragmatic clarification from HMRC officials, recognising the practical difficulties caused by COVID-19. HMRC appears to be happy for church treasurers to assess whether these are a series of separate donations and, if so, make a claim accordingly. Churches will want to think about any practical steps they can introduce and how to communicate this to regular givers

If, for example, a church member puts £200 cash in an envelope and marks it as 10 weeks of £20 weekly donations for the occasions where they have not been able to make a regular cash offering, it appears HMRC would be happy for the church to regard them as eligible donations under GASDS. Alternatively, 10 separate envelopes containing less than £30 each could be included where these are clearly separate donations.