

Rules on Gift Aid for Charitable Attractions

Disclaimer: Whilst every effort has been made to ensure the accuracy of the information contained in this guide, we regret that we cannot be responsible for any errors. This guide is not intended to be a definitive statement of the law in England. If you require precise or detailed information on Gift Aid, or on the legal implications for you in particular, you should consult a professional legal adviser. This guide was last updated in January 2015.

What is Gift Aid?

Gift Aid increases the value of donations given to charities by UK taxpayers. It allows them to reclaim the basic rate of tax from the government, meaning they can claim an extra 25p for every £1 that is gifted. The scheme was first introduced in 2000, but new rules have been in operation since April 2006.

Can I be involved in Gift Aid?

If you are an eligible charitable attraction that accepts donations from visitors, who are UK taxpayers, and provide free admission in return, yes.

Can I claim Gift Aid on my admission fee?

Standard admission fees are not eligible for Gift Aid.

In order to claim Gift Aid on a standard admission fee, the visitor must donate at least an extra 10% of the entry cost.

The total amount of the entry cost + the extra donation is then treated as a donation for Gift Aid purposes, not just the additional 10%.

For example, a visitor paying the standard £10 entry fee has not donated and Gift Aid cannot be claimed on that amount. If another visitor pays the £10 entry fee, plus an additional £1 as a donation, then the entire £11 can be Gift Aided.

The opportunity to make a gift to receive a right of admission must always be available to the public, which means that **the right of admission to view charity property must not be made conditional upon the donor making a Gift Aid declaration**. If the visitor is denied the right to choose to pay the standard admission charge, then payment of the extra 10% is not a freely given gift and cannot be a qualifying donation

Does not qualify for Gift Aid	Qualifies for Gift Aid
<ul style="list-style-type: none"> • A standard admission fee • A reduced entrance fee, following a donation 	<ul style="list-style-type: none"> • A standard admission fee + at least 10% • A donation to allow admission for 12 months (please see below)

Can I claim Gift Aid on my annual pass?

Yes, as long as the rights of admission for the visitor last for at least one year and the visitor can gain entry at all the times that members of the public can gain admission.

Charities can opt to:

1. Accept a donation and allow free admission for all visits during the period covered, but the **charity can specify up to five days when the right of free admission does not apply**. However, **a visitor who chooses to make a donation but does not complete a Gift Aid declaration must also be able to gain free admission on the same terms**.
2. Accept a donation and grant a right of admission on payment of a reduced fee, which must apply for the first and all subsequent visits during the period covered. **Only the initial donation qualifies for Gift Aid**, as the first and subsequent admission fees are not donations, but payments of a charge for admission. **A visitor who chooses to make a donation but does not complete a Gift Aid declaration must also be able to gain the same reduced rate of admission on the same terms**.

It must be made clear to the visitor that they can purchase the yearly right of admission without making a Gift Aid declaration. Charities do not have to be open all year or every day to grant a right of admission for a period of a year or more.

Annual subscriptions/passes bought on behalf of somebody else do not qualify for Gift Aid, as they are considered to be a gift to the person whose membership is paid, rather than the charity. However, if the recipient is under the age of 18 the payment is accepted as a gift and is eligible.

Can I claim Gift Aid on events and special performances?

No, unless the performances are merely incidental to the viewing of the property or can be regarded as integral to the viewing of that property e.g. a play at an historic theatre does not qualify, but Gift Aid may still be available for the admission to view the theatre if it is open at times when performances are not taking place.

However, performances that are integral to the attraction, such as interactive experiments with an educational purpose, displays of military memorabilia or historic re-enactments illustrative of a property's former use are not disqualified from Gift Aid.

What records do I need to keep?

You must keep an auditable record of:

- All Gift Aid declarations and confirmation that you have advised the donor that they must pay enough UK Income Tax and/or Capital Gains Tax in order for you to reclaim on their gift
- Any cancellation of Gift Aid declarations
- Any benefits that you provide to donors

You must be able to locate individual declarations on request by HMRC. Records must be kept for at least two years.

In order to claim Gift Aid you will need certain information from your visitors, such as their name and address.

More Information

Joint Admission Arrangements

Gift Aid can apply to donations which give the donor a right of admission to the property of more than one charity, but the visitor who chooses to make the donation must know which charities are sharing their donation and in what proportions.

Charity Events

A payment to purchase a ticket (or an admission charge) to attend a charity event is not a gift to charity, but a purchase of a right to attend the event; therefore such payments are not eligible for Gift Aid. However, a charity can charge a set ticket price (on which Gift Aid cannot be claimed) and request a donation that can be Gift Aided, provided the buyer is aware that the suggested donation is not compulsory and no preferential treatment is given to those who do donate.

Benefits for Visitors who Donate

A charity may decide to provide visitors with benefits as a thank you for making an optional 10%+ donation. **This is acceptable, providing that the value of the benefits does not exceed the benefit limit of the total amount qualifying for Gift Aid.**

Benefit Limit for Donations	
Amount of Donation	Maximum Value of Benefits
£0 - £100	25% of the donation
£101 - £1,000	£25
£1,001 +	5% of the donation (up to a maximum of £2,500)

For example, if an admission charge to view a property is £20 and a visitor makes a donation of £22, the charity can give benefits up to a value of £0.50 (25% of the £2 donation). If a toy worth £2.50 is given as a thank you, then Gift Aid cannot be claimed on the donation, as the benefit limit is exceeded. If the charity offers a discount voucher for £0.50 off an ice cream or a badge worth £0.50 or less, then the donation will qualify for Gift Aid.

If admission to a property also includes free or reduced rate entry into events that are held on the charity's premises, and for which a separate admission charge applied, then the value of this must be taken into account as a benefit. Depending on the value of the event, it may mean that the donation does not qualify for Gift Aid.

VAT

Although the total payment of standard entry + voluntary donation may be considered a donation for Gift Aid purposes, the same rules do not apply to VAT.

Where a charity receives a gift aid donation, which is in part subject to VAT at the standard rate, then **the part of the payment representing the normal admission charge is standard rated, whereas the additional amount is seen as a donation and therefore outside the scope of VAT**, provided that it is truly voluntary and gives no additional benefits.