**Retail Gift Aid – model letter where a charity makes use of the de-minimus provisions (Methods A&B)**

**(Highlighted section to be mandated wording)**

Dear

Thank you for arranging for your goods to be sold by (charity name) and for signing up to Gift Aid.

You agreed that we will only write (or We are required to) write to you once your net sales proceeds exceed £20 in a year or every three years, whichever comes first.

In the two/three\* tax years to 5 April 20YY we’ve been able to claim Gift Aid of £xx.xx. If you require a breakdown of the net sale proceeds and Gift Aid claimed by year, please let us know.

Please contact us if you are no longer a UK taxpayer paying Income Tax or Capital Gains Tax.

We’ve included some important information for you on the back of this letter.

[Thank you for your help supporting the work of ………..(name of charity)].

Signatory

**REVERSE SIDE**

Charities can claim Gift Aid worth 25% of your donation, without any cost to you, as long as you’ve paid at least the same amount in income tax or Capital Gains Tax (or a combination of the two) in the tax year. If you haven’t paid income tax or Capital Gains tax at least equal to the amount of Gift Aid we claim within any tax year it is your responsibility to pay any difference to HMRC.

Your status as a taxpayer making Gift Aid donations can change from one tax year to the next. If this letter is about Gift Aid in more than one tax year, please think about the tax you paid in each year.

We claim Gift Aid on the net sale proceeds from the sale of your goods. We work this out by deducting our commission plus VAT\*\* from the gross sale proceeds.

Please contact us if you no longer want us to claim Gift Aid on your donation or if your name or address have changed. You can cancel your Gift Aid agreement with us at any time.

**Notes**

* \*Delete as appropriate
* \*\* Delete if not applicable
* This model letter assumes that the legal information will be put on the reverse to make the main body of the letter as simple as possible. However, a charity may choose to place this information in the main body of the letter itself.
* The references to ‘letter’ can be changed to e-mail where appropriate.

For guidance on when to use this letter and how to operate the retail Gift Aid Scheme, see the hyperlink below to section 3.42 or copy and paste the following:

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-342-claiming-gift-aid-when-goods-are-sold-by-and-the-proceeds-gifted-to-charities>

[Chapter 3: Gift Aid - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-342-claiming-gift-aid-when-goods-are-sold-by-and-the-proceeds-gifted-to-charities)