

Template Letter for Gift Aid at the end of tax year – Method B

This template is for charity shops to use to advise donors of the proceeds of sale under the Method B across multiple tax years including cases where net sales proceeds are more than £1,000 and charities choose to notify donors at year end to confirm that donors wish to donate the excess over £1,000. For guidance on when to use this letter, follow the link at the end of the letter.

Please note- *the text in italics is compulsory.*

Dear (name of supporter),

Thank you for bringing your goods to (name of charity) for sale. *You agreed that we would contact you when your Net Sale Proceeds reached £20 in a single tax year (which runs from 6 April to 5 April the following year), or every three years, whichever comes first, and let you know how much we raised from selling your goods.*

Wording to be used where net sales proceeds are less than or equal to £1,000.

I am pleased to tell you that proceeds from selling your goods have raised:

- *£XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY.*
- *£XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY. (delete if the letter is only covering 1 tax year)*
- *£XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY. (delete if the letter is only covering 1 tax year/ 2 tax years)*

Wording to be used where net sales proceeds are more than £1,000.

I am pleased to tell you that proceeds from selling your goods have raised £X,XXX.XX (net of commission and VAT) which will allow the Charity to reclaim Gift Aid of £YYY.YY in the tax year to 5 April YYYY.

Since the total proceeds are in excess of £1,000, we agreed that we would write to you to confirm that you wish to donate the additional sum of £ZZ.ZZ over and above the amounts in excess of £1,000 that you may have been notified of during the tax year and already agreed to donate to the charity.

To donate this amount to our charity you need do nothing further. If we do not hear from you within 21 days of the date of this letter, we will assume that you wish to donate the money raised to our charity and, once again, we thank you for your continued support.

We appreciate that your status as a taxpayer making Gift Aid donations can change from one tax year to the next.

Please contact us within 21 days if:

- a) you have paid less than £YY.YY in UK Income and / or Capital Gains Tax in the tax year to 5 April YYYY to meet the Gift Aid amount claimed back by the charity or*
- b) you have paid less than £YY.YY in UK Income and / or Capital Gains Tax in the tax year to 5 April YYYY to meet the Gift Aid amount claimed back by the charity or (delete if the letter is only covering 1 tax year)dff*
- c) you have paid less than £YY.YY in UK Income and / or Capital Gains Tax the tax year to 5 April YYYY to meet the Gift Aid amount claimed back by the charity or) (delete if the letter is only covering 1 tax year/2 tax years)*
- d) your personal details, such as name and address, have changed or if you wish to cancel your Gift Aid declaration.*

If you have paid insufficient tax to meet the Gift Aid claimed by the charity, HMRC may seek to recover this sum from you direct, as it is your responsibility to pay any difference.