



HM Revenue
& Customs

Retail Gift Aid

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Recent additional changes

- Introduction of a non-mandatory £20.00 de minimis limit, for charities operating methods A or B.
- Currently an annual letter, must be issued, making the donor aware that they are responsible for the tax to cover, regardless of the amount of **net** sales
- If limit adopted, then from April 2019, these only need to be issues once **net** sales have reach £20, or every three years which ever comes first.



Impact of changes

Example 1 (Method A)

SALES £	NOW	FROM 6 APRIL 2019
Year 1 = 10	Annual letter	No annual letter
Year 2 = 15	Annual letter	No annual letter
Year 3 = 0	No letter	Letter to cover all sales from Year 1 to 3



Impact of changes

Example 2 (Method A)

SALES £	NOW	FROM 6 APRIL 2019
Year 1 = 20	Annual letter	Annual letter
Year 2 = 15	Annual letter	No annual letter
Year 3 = 0	No annual letter	No annual letter
Year 4 = 5	Annual letter	Letter to cover all sales from Year 2 to 4



Impact of changes

Example 3 (Method A)

SALES £	NOW	FROM 6 APRIL 2019
Year 1 = 105	Annual letter plus whatever the practice is once the limit of £100 has been reached – see Gov.uk guidance	Annual letter plus whatever the practice is once the limit of £100 has been reached
Year 2 = 15	Annual letter	No annual letter
Year 3 = 0	No annual letter	No annual letter
Year 4 = 5	Annual letter	Letter to cover all sales from Year 2 to 4



Question and Answer Guide

Q. Can a donor still request a letter if the amount is less than £20?

A. Yes. Charities operating retail Gift Aid will need to give a choice to the donor who wishes to receive annual letters.

Q. When will the change come into effect?

A. The change comes into effect from tax year 2019-20.

Q. When must I send a letter if the sale of a donor's goods raises £19 in 2019/20 and nothing in the next two years?

A. You must send a letter at the end of the third tax year which in this case would be following the end of the 2021/22 tax year.



Question and Answer Guide

Q. When must I send a letter if the sale of a donor's goods raises £21 in 2019/20?

A. As the amount raised from the sale of the donor's goods is more than £19 you must send the annual letter after the end of the tax year 2019/20.

Q. When must I send a letter if the sale of a donor's goods raises £19 in 2018/19 and £21 in 2019/20?

A. As the amount raised from the sale of the donor's goods is more than £19 in 2019/20 you must send the annual letter after the end of the tax year 2019/20.

Q. Can I send e-mails, texts etc, rather than letters?

A. You can use electronic communications to tell donors about the amount raised from the sale of their goods. However, the communication must use the wording provided in the HMRC template letters.



Question and Answer Guide

Q. If my letter covers multiple years, do I need to specify the amount raised in each year?

A. If your letter covers multiple years you will need to specify the amount raised in each year. This allows the donor to confirm that they have paid tax for the relevant tax year(s) to cover the donation for Gift Aid repayment.

Q. Do I need to send an annual letter if none of the donor's goods have been sold?

A. You don't need to send an annual letter or a letter at the end of the three tax years if none of the donor's goods have been sold in the year or throughout the three year period.





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Any Questions

