

## Advice for local meetings on special collections and Gift Aid

The treasurer/collector's first responsibility is to collect for the needs of local and area meeting:

The area meeting, where our membership is held, seeks to carry out the concerns and witness of Quakers in that area, and also has other responsibilities for the area meeting and its constituent local meetings. It is laid upon us to help our own area and local meetings to fulfil these tasks through our regular financial support in accordance with our means.

*Quaker Faith & Practice, 14.05*

S/he should also support the call for contributions for yearly meeting funds and the Quaker work that is undertaken centrally at a national level.

Britain Yearly Meeting carries out work centrally on behalf of all area and local meetings across the activities listed in 14.04. Much of it arises from concerns brought forward by area meetings and adopted on behalf of the yearly meeting. The work may need staff and a permanent organisation.

Commitments once started must be funded and carried through to a proper conclusion. This too requires our regular financial support.

*Quaker Faith & Practice, 14.06*

Many meetings also like to collect for other charities – both Quaker and otherwise but this should not shift focus away from sustaining the life and work of our Quaker meetings at a local and national level and should not place unnecessary burdens on the treasurer, see The Treasurers' Handbook 9.4 **Whose collector am I?**

### HMRC advice on Gift Aid on collections by churches for other charities

#### 3.45 Church collections

##### 3.45.1

Whether or not collections made for a particular charity by churches (which are themselves charities) can fall within the churches' Gift Aid scheme will depend on the particular circumstances.

##### 3.45.2

If the church has not exercised any discretion in collecting the donations and the donations are merely given to the church to simply pass on to a particular charity then:

- the church has no entitlement to the donations (and they do not form part of the church's income)
- the church is merely acting as a conduit and it is the charity that is the donee
- the charity must claim any Gift Aid tax relief (subject to the normal requirements, Gift Aid declaration and audit trail)

##### 3.45.3

However, if the church exercises its discretion and decides to open a fund for donations to a particular charity, then:

- the fund is a restricted fund of the church
- the church is the donee and the donations form part of the church's income
- the church is able to claim any Gift Aid tax relief (subject to the normal requirements)

##### 3.45.4

The church is legally obliged to pass the tax associated with a Gift Aid payment to the charity. The donor would have made their donation in expectation that both the Gift Aid donation and the associated Gift Aid tax would go to the charity for which the collection was made.

<http://hmrc.gov.uk/charities/guidance-notes/chapter3/sectionf.htm#as>

## **So if a meeting wishes to collect for other charities it is either:**

### **1. Acting as Agent – keeping it simple**

'Acting as Agent' is when the meeting simply acts as a conduit for the money collected and cannot claim Gift Aid, (HMRC guidance 3.45.2) – often referred to by meetings as 'special collections'.

It does not need to be the treasurer who handles these collections, any Friend can take on this responsibility, though a suitable process of dual counting, record keeping and filing a receipt from the charity is advised as good practice. These collections are not part of the meeting's funds and are not included in the accounts. However if the treasurer does handle the collections and the money goes through the meeting's bank accounts then the special collections must be recorded in the notes to the accounts (Statement of Recommended Practice SORP paragraph 319). Special collections handled by individuals, that do not pass through the meeting's bank accounts, may optionally be mentioned in the annual report.

If an individual does wish the charity to claim Gift aid on their donation they will need to fill in a Gift Aid declaration in the name of the charity and these will need to be passed on to the charity with the collection (*please note this is not recommended for contributions to BYM – see 2. below*).

If the Friend responsible for the collection wishes they could contact the charity in advance and request Gift Aid forms from the charity or download a general charity Gift Aid form from [www.quaker.org.uk/giftaid](http://www.quaker.org.uk/giftaid) (bottom of web page).

**Or:**

### **2. Collecting contributions into a restricted fund – collection recorded as income to the meeting**

The setting up of a restricted fund (HMRC guidance 3.45.3) is suitable for collecting contributions for Britain Yearly Meeting or for a concern of the meeting. The meeting collects contributions, records it as restricted income of the meeting, claims the Gift Aid and then sends the contribution and the Gift Aid on to Britain Yearly Meeting or the charity concerned.

The treasurer/collector needs to handle this type of collection as it constitutes part of the meeting's income and it must be included in the accounts. When the money is sent on to the other charity it is recorded as a donation from the meeting's funds.

Collecting for Britain Yearly Meeting is a core activity in line with the charitable aims of a Quaker meeting and is referred to in *Quaker faith & practice* 14.04.

Meetings must ensure that any concern has been properly discerned and is in keeping with the testimonies of the Society and not merely a strong desire to do something. *Quaker faith & practice* 13.02 -13.18 provides guidance on the understanding, discernment and responsibilities of a meeting in adopting a concern.

### **Alternatively the Meeting can support but not collect contributions**

If a meeting does not want to make arrangements for special collections it can support other charities by highlighting their work and encouraging Friends to contribute directly to the charity.

### **Keep in mind who has to do the work when collecting funds**

Meetings often have difficulty finding Friends willing to take on the role of the treasurer/collector so it is important that they consider ways to keep the tasks as simple as possible, especially in relation to collections and Gift Aid. Meetings need to remember the work involved with handling funds when they decide how many other charities they are collecting for and to work out how best to handle the collections and whether or not they should claim Gift Aid on them.