



Tax-efficient giving for individuals

Advice about charitable gifts from individuals is available from HM Revenue and Customs. A summary of key information is below. If you have a personal accountant, we recommend you consult them for advice about the most tax effective gift for you.

Gift Aid

Gift Aid enables charities you support to get extra money on your donation without it costing you a penny more. To make a Gift Aid donation, you must be a UK taxpayer. Your donation is treated as if basic rate income tax had been deducted: charities can therefore reclaim that tax from HM Revenue & Customs (HMRC).

For example, on your donation of £10,000, we can claim £2,500 in Gift Aid, meaning your gift total will be £12,500.

Tax relief for higher rate taxpayers

If you pay tax at the higher rate, you can claim back the difference between the higher rates of tax (40% or 45%) and the basic rate (20%) on the total value of the donation.

For example, if you pay the 40% rate, a donation of £10,000 allows you to recover £2,500, so the donation costs you only £7,500 net, but the Community Foundation receives £12,500. If you pay the 45% rate, a donation of £10,000 allows you to recover £3,125, so the donation costs you only £6,875 net, but we receive £12,500.

Self-Assessment giving

If you complete a Self-Assessment tax return and are entitled to a tax refund, you can choose to have all or part of the repayment sent directly to a charity of your choice. This is called 'Self Assessment Giving' or 'SA Donate'. You can also ask the repayment to be made as a Gift Aid donation. HM Revenue & Customs (HMRC) sends your refund (plus any Gift Aid tax repayment) directly to the charity by electronic transfer.

Gifts of assets: land, buildings, shares etc.

Individuals can get tax relief on gifts to charity of certain listed shares, securities and other investments. You can get income tax relief, in addition to the capital gains tax relief on gifts of assets to charity. The tax relief applies if you give, or sell at less than market value, any qualifying investments to a UK charity.

Payroll giving

An unlimited amount can be contributed to charity via payroll giving. It costs you less to give because your donation is given to charity from your gross salary before any tax is taken off – so you don't pay tax on it.

Giving in your will

If your estate is liable to Inheritance Tax you could choose to leave money to charity to reduce the overall amount of tax due from your estate. You could either leave a fixed sum

(known as a 'Pecuniary Legacy') or part or all of your estate once other gifts have been distributed (known as a 'Residuary Legacy').

You can do this through your will, or simply by a declaration to the executors giving instructions as to how, and to which charity, your legacy is to be distributed. Gifts made to a UK charity in the seven years prior to your death are also covered by the same exemption from Inheritance Tax.

Your personal accountant or solicitor will be able to advise on the best option for you.