



INTERNAL CONTROL PROCEDURES

Minimum Requirements for all churches

- Where possible churches should encourage members to give by standing order to limit the cash receipts.
- A register should be kept of individuals donating by standing order showing the individual, amount and the day of the month when the donation is generally received.
- For cash collections there shall be a count sheet, and two people shall count the cash and sign the sheet to confirm the amount received.
- Cash shall be counted on site to maintain control of the cash.
- Funds shall be banked as soon as possible after receipt.
- A post book / register shall be kept of incoming funds from other sources to ensure these are accounted for and reduce the chance of donations being lost.
- All Bank and Building Society Accounts etc shall require at least two signatories to manage the accounts. Under no circumstances shall one signatory be sufficient for withdrawal or transfer of funds unless the only withdrawal possible is the transfer of funds to a designated account requiring two signatories for withdrawal.
- All cheques must state the church is a registered charity, number 232674.
- Expenditure should be authorised by two individuals and evidence kept of the authorisation. The use of cheques with two signatories will go some way to providing that evidence but where possible additional evidence should be kept.

Gift Aid

- Gift Aid is an important source of additional funds, and donors who are tax payers should be encouraged to gift aid donations and offerings.
- All Countess of Huntingdon's Connexion Churches have been registered with HMRC Charities.
- There are basic records that have to be kept and procedures that have to be followed to ensure that gift aid can be claimed. These are:-
 - obtain a Gift Aid declaration from the donor to confirm that they want you to claim tax back for the donations specified
 - advise them that they will need to pay at least as much UK Income Tax and/or Capital Gains Tax (for the tax year that they donate) as all the charities they donate to will reclaim on their gifts
 - Gift Aid declarations, must be stored. These can be stored in a number of formats, either paper or electronically, but records must provide clear

- evidence that each donor included in a repayment claim has made a declaration.
- All donations must be linked to Gift Aid declarations, and evidence must be available that the donation has been received and an audit trail is available linking the donation to the donor.
 - For cash donations this is best carried out using an envelope system. For one-off donations, it is acceptable to pre-print the Gift Aid declaration on the envelope for completion by the donor. If the donor is a regular giver, the envelope needs to show either the donor's name or a unique identifier such as a reference number which can be cross-referenced to a donor register. Records need to be kept of each donation and envelopes should be kept for audit purposes.
 - To be safe, records must be kept for seven years after the donation has been made. Gift Aid declarations must be kept for seven years after the last donation has been made on that declaration.
- Gift Aid repayment claims must be made within four years from the end of the accounting period when the donation was made.
 - From April 2013 Gift Aid repayment claims can be made online. The minimum records required to make an on line claim are :-
 - title (optional)
 - donor initials or first name
 - donor surname
 - house name / number (or first line of address if this is how you already store this information)
 - postcode (must be provided for addresses in the UK)
 - date of donation
 - value of donation
 - The Gift Aid Small Donations Scheme is due to start in April 2013. This new scheme will enable churches to claim top-up payments on small cash donations of £20 or less where it is difficult to get a Gift Aid declaration from a donor, for example, bucket collections or small donations made during a religious service. More information will be available in February / March 2013.
 - Model Gift Aid Declarations from the HMRC are enclosed. It is recommended that these are used word for word.
 - If these are not used, the following must be included.
 - The tax warning "I confirm I have paid or will pay an amount of Income Tax and/or Capital Gains Tax for the current / each tax year (6 April to 5 April) that is at least equal to the amount of tax that all the charities and Community Amateur Sports Clubs (CASCs) that I donate to will reclaim on my gifts for the current tax year. I understand that other taxes such as VAT and Council Tax do not qualify. I understand the charity will reclaim 25p of tax on every £1 that I have given."
 - the proper name of the church
 - the name of the donor, with surname and initials as a minimum
 - the home address of the donor, with house number/name and postcode as a minimum
 - the donations that the declaration relates to.
 - There are different types of declaration:

- a paper declaration using the model form, or something similar
- a declaration incorporated into a membership application
- a declaration included in a sponsorship form
- a declaration printed on a collection envelope
- a declaration on a website where the donor's details are automatically recorded on a database
- a verbal declaration – this usually requires the charity to send written confirmation of the declaration to the donor.

Gift Aid declaration –for a single donation

Name of charity or Community Amateur Sports Club

Please treat the enclosed gift of £ ----- as a Gift Aid donation.

I confirm I have paid or will pay an amount of Income Tax and/or Capital Gains Tax for the current tax year (6 April to 5 April) that is at least equal to the amount of tax that all the charities and Community Amateur Sports Clubs (CASCs) that I donate to will reclaim on my gifts for the current tax year. I understand that other taxes such as VAT and Council Tax do not qualify. I understand the charity will reclaim 25p of tax on every £1 that I have given.

Donor's details

Title ----- First name or initial(s) -----

Surname -----

Full Home address -----

Postcode -----

Date -----

Signature -----

Please notify the charity or CASC if you:

Want to cancel this declaration

Change your name or home address

No longer pay sufficient tax on your income and/or capital gains.

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

Gift Aid declaration – for past, present & future donations

Name of charity or Community Amateur Sports Club

Please treat as Gift Aid donations all qualifying gifts of money made

today in the past 4 years in the future

Please tick all boxes you wish to apply.

I confirm I have paid or will pay an amount of Income Tax and/or Capital Gains Tax for each tax year (6 April to 5 April) that is at least equal to the amount of tax that all the charities or Community Amateur Sports Clubs (CASCs) that I donate to will reclaim on my gifts for that tax year. I understand that other taxes such as VAT and Council Tax do not qualify. I understand the charity will reclaim 28p of tax on every £1 that I gave up to 5 April 2008 and will reclaim 25p of tax on every £1 that I give on or after 6 April 2008.

Donor's details

Title ----- First name or initial(s) -----

Surname -----

Full home address -----

Postcode -----

Date -----

Signature -----

Please notify the charity or CASC if you:

Want to cancel this declaration

Change your name or home address

No longer pay sufficient tax on your income and/or capital gains.

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self Assessment tax return or ask HM Revenue and Customs to adjust your tax code