



Helping you to

**Give
Something
Back**

Cost effectively, efficiently and quickly

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Introduction

More and more people nowadays are looking at their impact on wider society. Charitable appeals are commonplace, and not a day goes by without someone seeing a charity appeal for one cause or another.

The problem is that there are so many that it is impossible to give to all of them. Some are relatively local causes and are normally highlighted by collection tins in shops or community centres, or street collections. Others are regional charities where there might be some local media coverage and there are national and international causes which gain widespread media coverage.

Often the problem that people face is not being unable to give, but not knowing who to give to on limited budgets that may be available. People also naturally want to make an impact, and know that their donation has helped people, rather than being swallowed in administration or publicity charges.

The Staffordshire Community Foundation can help with all your charitable giving with a big difference – we keep it local.

Within your immediate area, usually within 1 mile but certainly within travelling distance, there will be a cause that needs support. A cause that has a direct impact on the area in which you live and work. A cause that is so small, yet does so much good work, that you may not even know about it.

The rest of this booklet will give details of how you can help all these local causes, and some regional ones too, in a simple and cost effective way, making your donation count, making your donation have a local impact and making your donation go further.

Setting Up A Personalised Fund

Sometimes when you give you want people to be aware of your particular passion or cause. It might be that you want to set up a fund in a loved one's name to support something that they particularly cared about. We can establish a fund in your name, the name of a loved one, or in any name you choose. We can handle all the set up administration and continual reporting, to the Charity Commission and to yourself. You can have as much or as little involvement as you like. You may want to be involved every step of the way and consulted at all times, or you may not want any involvement at all. Of course, both of these wishes can be met by the Staffordshire Community Foundation, or equally, at any point between the two. You can choose the remit for your fund, so that you can target whoever you choose.

Our funds are created as endowments. This is where the original capital sum is invested and any interest accrued is distributed as grants to the causes you choose. All of our investments are handled by our investment managers, who invest them according to Charity Commission guidelines.

Once established, an endowment fund can exist in perpetuity and can never be taken or seized.

Ordinarily, to create a named fund you would need to consider a fund with a value of around £25,000. However, in most cases the Staffordshire Community Foundation can 'match fund' your donation, meaning that you only need to contribute two thirds of the fund value, and we'll add the rest. So for example, if you had £17,000 to set up a named fund, we would add half of this amount, £8500, making a fund with a value of £25,500.

We also run 'area' funds, which pool smaller donations, anything from £1 upwards, so that you can give locally without having to give a large sum of money.

Giving Stocks, Shares, Land & Buildings

Some people may have stocks or shares that they no longer want or would like to do more with. You may have property or land that is becoming difficult to manage and troublesome. By donating stocks, shares, land or property you can give to charity in a cost effective and efficient way, and you may even be able to get some financial benefit yourself.

For example, you can claim Income Tax relief on the following donations;

- Shares listed on any UK or Overseas based recognised Stock Exchange
- Units in an Authorised Unit Trust
- Shares in a UK Open-Ended Investment Company

You can claim Capital Gains Tax Relief if you;

- Donate any asset to us
- Sell us any asset at less than the market value

This is because you are considered to make no gain or loss on the asset.

How To Transfer Stocks, Shares, Land or Buildings

For shares you need to complete a stock transfer form, which will transfer the ownership of the shares. For a donation of land or buildings we will give you a certificate that confirms the transfer has taken place. However, for land or buildings it must be a complete transfer if you want to claim tax relief, so if you co-own something you can still donate your share of the property, but you can't claim tax relief on it.

Legacies & Leaving A Gift In Your Will

Leaving a legacy or a gift in your will is not one of the most enjoyable topics to discuss, but nowadays more and more people are leaving a legacy to charity and it is especially important in the circumstances to ensure that your wishes will be followed when you are not here to see them through. If you want to leave a legacy or a gift in your will, you can leave one of two types.

- Pecuniary Legacy – This is a fixed sum
- Residuary Legacy – This is a part of your estate, once other gifts have been made

In both instances the amount of Inheritance Tax that your estate is liable to pay will be reduced. In addition, any donation made to us in the seven years before your death is exempt from Inheritance Tax.

If you would like more information on this method of charitable giving via the Staffordshire Community Foundation please feel free to get in touch. We can advise on the transfer of the assets, but we are unable to give advice relating to your will, although a solicitor will be able to advise you.

Gift Aid

Gift Aid is a procedure offered by HMRC whereby we can claim back tax on the donation you make. Any donation made is considered by HMRC to include tax, so they pay us this tax. This means that as the basic rate of tax is 20%, they consider your entire donation to effectively be 80%, so they will pay us the other 20%. In real terms it can currently increase your donation by 25% – at no extra cost to you, so for every £10 you donate, it is worth £12.50 to us. This is explained below;

1. Your donation = £100
2. HMRC consider this to be 80%
3. HMRC consider 1% of your donation to be £1.25, (£100 divided by 80 = £1.25)
4. HMRC pay the 20% tax on the original donation, so £1.25 x 20 = £25
5. Your total donation is £125, £100 donated directly by you and £25 that HMRC will pay to us

We can only claim this if you have completed a Gift Aid declaration, which you can obtain directly from us. Certain rules apply when we claim Gift Aid, but these are explained in full on the Gift Aid declaration. It is a simple one page form and you only need to complete one – every donation you make to or through us can be Gift Aided from the original form – providing you tick the box that says ‘Treat all donations as Gift Aid donations’.

In order for us to claim Gift Aid you must have paid enough tax in the tax year your donation is made, but you don't necessarily need to be working and paying tax from your salary. Eligible tax includes Income Tax, tax deducted from savings interest, tax on a state or private pension, tax on investment, tax on rental income and Capital Gains Tax, but excludes council tax and VAT.

Gift Aid for Higher Rate Tax Payers

If you pay tax at the higher rate, we can still only claim 20%. However, you can claim back some of the tax directly too. This is usually the difference between basic and higher rates. On your Self Assessment Tax Form you need to specify the total donation. This total donation includes any tax we have claimed back. As an example, if you donate £100;

1. The £100 is the initial donation
2. We claim tax through Gift Aid = £25
3. Your total donation = £125
4. The difference between basic and higher rate of tax is 20%
5. So you can claim 20% of £125 = £25

So, you have paid us £100, but actually we have benefitted by £125, (your donation plus Gift Aid), and it has only cost you £75, (your donation less the tax you can claim back)

Gift Aid Donations and How It Affects Age Related Personal Allowance, Age Related Married Couples Allowance & Tax Credits

If you make a Gift Aid donation you should let HMRC know. They will subtract the amount you donate plus the Gift Aid from your total income. This can increase your allowance or increase the amount you receive in Tax Credits.

Give As You Earn

Payroll Giving is a facility that has become more and more popular. It is a way of giving to charity directly from your salary or pension, and as it is taken before you have paid tax, it means your donation costs you less. Anyone can use payroll giving, whether you are paid a salary or a company or personal pension. This is how it works;

1. You pay tax at the basic rate of 20%
2. You make a monthly donation of £10 through payroll giving
3. This donation is taken pre-tax, so 20% of it, (£2), is paid through HMRC
4. The donation costs you £8, (£10 donation less 20% tax), but we still receive £10

If you pay tax at the higher rate of 40% the same calculation applies, but your donation only costs you £6.

Payroll Giving does not affect other donations you make to charity and they can still claim Gift Aid on those donations, providing you have signed a Gift Aid declaration.

Not all employers currently run a payroll giving scheme, but most companies do. If they don't you could ask if they would be willing to. If they want to know more they can always give us a call and we'll explain things and put them in touch with a Payroll Giving Agency.

The information contained in this booklet is only intended as a guide. As with many things, charitable giving is a personal choice and not everyone wants to do it in the same way. We all have different aims and things we want to achieve with our charitable giving.

This booklet highlights some of the main ways in which we can help, and works on a very general basis. However, if you are interested in giving something back to your community and want to use the Staffordshire Community Foundation to make this effective, we can tailor a bespoke package for you.

These packages are designed to get the best for you, for your business and for the community as a whole, and there is no extra charge for creating a tailored package.

For more information please feel free to contact us, and we can discuss things over the phone, arrange a meeting at our offices so you can also see our work first hand, or meet you at another location of your choosing.

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