

**Tax-efficient charity giving \* (both the Friends of St Leonards and the church PCC are registered charities)**

Type of gift	For the donor	For the charity
<b>Gift Aid</b>	<p><b>Example £10 donation</b> direct to the charity</p> <ul style="list-style-type: none"> <li>• Must be a UK taxpayer, paying at least the amount of tax reclaimed (in this case £2.50)</li> <li>• Must make a Gift Aid declaration</li> <li>• Can be a one-off OR a regular donation, set up by a form or by online banking</li> <li>• Higher rate taxpayers can use donations to reduce tax payable</li> </ul>	<p><b>Receives £10</b>  <b>Claims £2.50 from HMRC</b>  <b>Total received £12.50</b></p>
<p><b>Payroll Giving</b>  <i>(through employer or Personal Pension Scheme)</i></p>	<p><b>£10 reduction in your net salary</b>, but £12.50 is given to the charity before tax (at 20%) is deducted. (More if you are a higher rate taxpayer.)</p> <ul style="list-style-type: none"> <li>• Employer needs to run Payroll Giving Scheme</li> <li>• Employer provides you with a form to fill in</li> <li>• Can also be deducted from personal pension</li> <li>• You can stop the donation at any time</li> </ul>	<p><b>Receives £12.50</b> from the Payroll Giving Agency. (£16.67 if the donor is a Higher Rate taxpayer)</p> <ul style="list-style-type: none"> <li>• A regular reliable income for the charity</li> <li>• Can be useful for corporate donors</li> </ul>
<p><b>Gift of assets</b></p> <ul style="list-style-type: none"> <li>- shares</li> <li>- land</li> <li>- property</li> </ul>	<p><b>Donate assets directly to the charity</b></p> <ul style="list-style-type: none"> <li>• Assets valued at Market Value</li> <li>• Taxable income is reduced by the value of the gift, saving income tax at your top rate of tax (shares must be listed to qualify for this relief)</li> <li>• No Capital Gains Tax to pay on the disposal</li> </ul>	<p><b>Charity receives the assets</b></p> <ul style="list-style-type: none"> <li>• Can sell the assets or use the income from them</li> <li>• Transfers can be made directly using appropriate forms or through a broker</li> </ul>
<b>Legacies</b>	<p><b>Bequests made in a will</b></p> <ul style="list-style-type: none"> <li>• Make a will and state the donation to be made</li> <li>• Gifts are exempt from Inheritance Tax which is 40% for large estates of over £450k</li> </ul>	<p><b>Charity receives the bequest (cash or assets)</b></p> <ul style="list-style-type: none"> <li>• Can sell the assets or use the income from them</li> <li>• Can be a significant way to generate long-term revenue (eg for maintenance)</li> </ul>

Source: [www.gov.uk/donating-to-charity](http://www.gov.uk/donating-to-charity)

(\* Information is provided in good faith and believed to be correct but please consult an independent financial adviser as required