



**SPEKTRIX CONFERENCE**



*Dorcas Morgan, Park Theatre*

*Helen Elliot, Sayer Vincent*



# Membership benefits & HMRC

Dorcas Morgan & Helen Elliott

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# Membership and patron schemes

Benefits such as:

- Priority booking rights
- Discounts
- Newsletters & literature
- Invitations to first nights, rehearsals
- Usually the amount paid is more than the value of the benefits with balance being a gift



# Gift Aid benefit rules

Donation	Benefit allowed
Up to £100	25% of the donation
£100–£1,000	£25
Over £1,000	5% of the donation
Overall limit	£2,500

- Membership £1,000, benefits for Gift Aid max £25
- Membership £1,001, benefits for Gift Aid max £50



# Disregarded benefits for Gift Aid

- Charity literature e.g. annual reports, newsletters
- Acknowledgements e.g. name on back of theatre seat
- Naming a building OK but not if business name
- Priority booking rights
- Stickers, pins, badges etc – must be of negligible value

**But note that most of these are NOT ignored for VAT purposes**



# Membership options for Gift Aid

1. Donation with high benefits – no Gift Aid
2. Donation with benefits under limit – Gift Aid all
3. Split benefits and donation – Gift Aid on donation element if can buy the benefits package separately and clear that donation optional

**VAT:** likely to be VAT on 1. & 2. but only on benefits for 3.



# Membership schemes - Gift Aid

- Value each benefit in relation to donation
  - Value commercially available benefits at commercial value
  - Discounts based on actual or average uptake
  - Special events at event cost per head
  - Priority booking rights & charity literature – can be ignored
  - No celebrity element unless commercially available
- If benefits value is below allowed limit, then Gift Aid all **but may need to account for VAT**





# Membership schemes - Gift Aid

Benefit limits exceeded?

- Reduce the level of benefit, or
- Make benefits package available for a separate fee and ask for a donation (with Gift Aid) – **only benefits package includes VAT, not donation**



## Example: BRONZE PATRON £750

A minimum payment of £250 secures all Bronze Patron benefits, but you may purchase these benefits separately without making any further donation. The balance of £500 is a suggested donation.

- Priority booking
- 10% discount on tickets
- Invitation to a rehearsal
- etc



# Example - SILVER PATRON £1,500

Minimum payment: £500, suggested donation £1,000. The donation portion is a suggested donation to which Gift Aid provisions apply, but you may purchase the benefits package separately without making any further donation.

- 20% discount on tickets
- Invitation to after show party with the director
- etc

# Further guidance

[Helen.Elliott@sayervincent.co.uk](mailto:Helen.Elliott@sayervincent.co.uk)

[www.sayervincent.co.uk](http://www.sayervincent.co.uk)

## Publications

- made simple guides
- updates

[www.gov.uk/claim-gift-aid](http://www.gov.uk/claim-gift-aid)

[www.gov.uk/charities-and-tax](http://www.gov.uk/charities-and-tax)





**Dorcas Morgan**

Park Theatre Development Director

**Submitting your Scheme for Approval**



# GUIDELINES FOR DESIGNING GIFT AID COMPLIANT PATRON SCHEMES

- How should benefits be costed?
- Can I include discounts in my benefits?
- Do I have to make benefits available to the general public?
- How clear do I need to be about the sale of benefit packages?



## CONTINUED...

- Are there any benefits I can offer that don't need to be costed?
- How clear do I need to be about the donation?
- How do I make this clear to my subscribers?
- What needs to have VAT added? (This section is for info only and does not need including on your submission form)



# Special Note

You may chose to instruct anyone wishing to buy a stand alone benefit package back to your development department, thereby making packages available for sale, but introducing contact with the fundraising team to encourage donations.

*(This was agreed with Tony Johnson at HMRC at the Gift Aid on Memberships workshop held on 21 January 2016.)*



## SUBMISSION FORM FOR APPROVING GIFT AID COMPLIANT PATRON SCHEMES

Please check each section carefully against the approved guidelines to ensure that your scheme complies and the tick relevant columns before submitting

	Are you satisfied that your scheme complies in the following areas? (Please tick the relevant column)	TYPE OF SCHEME		YES	NO/NOT SURE	IF NO/NOTSURE Detail here reasons why you think you don't comply and questions you may have	N/A	Approved (To be completed by HMRC)
		Split	Under threshold					
1	Benefit Costings							
2	Discounted Benefits							
3	Packages will be made available to general public							
4	Packages will be clearly advertised							
5	Any undeclared benefit costs meet the exclusions							
6	Information that the donations are voluntary and suggested is clear and offers a choice							
7	I will be using the wording suggested to make this clear							

Please sign the declaration on the next page.



**Declaration**

I declare that the information submitted on this form and any supplementary documents is correct and complete to the best of my knowledge and belief.

Signed: \_\_\_\_\_  
Name: \_\_\_\_\_  
Company: \_\_\_\_\_

Date: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Contact Number: \_\_\_\_\_

Indicate here if you prefer us to contact you by email (subject to compliance with HMRC's data security guidelines)  
**Please note that we can only correspond with the HMRC nominated Authorised Official for your organisation**

Y/N

Email address (for HMRC Authorised Official): \_\_\_\_\_

**Submitting your scheme for approval**

Please email your form to [techqueries.charities@hmrc.gsi.gov.uk](mailto:techqueries.charities@hmrc.gsi.gov.uk) . with a brief covering email including your contact details and remember to

1. Completed submission form
2. Benefit costings calculations (inc VAT where applicable)
3. Proposed wording for promotional copy

**HMRC aim to respond within 30 days and you should request a confirmation of delivery or 'read receipt' as an acknowledgement**



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