

HMRC call for evidence on the Gift Aid Small Donations Scheme

Submission by the Sport and Recreation Alliance

The Sport and Recreation Alliance

The Sport and Recreation Alliance is the umbrella body for the governing and representative bodies of sport and recreation. We represent 320 members including organisations like the Football Association, the Rugby Football Union, British Athletics, The Ramblers, British Rowing and the Exercise Movement and Dance Partnership. Our role is to speak up on their behalf, represent their views and provide them with high quality services.

We welcome the opportunity to input to the call for evidence. Collectively our members oversee around 150,000 grassroots community sports clubs with over 8 million regular participants. The vast majority of these clubs are non-profit organisations that rely heavily on fundraising to support their activities. In this context Gift Aid and the Gift Aid Small Donations Scheme (GASDS) represent important mechanisms for clubs to maximise the returns from fundraising for the benefit of their users and the local communities they serve.

Experience from the sport and recreation sector

In response to the call for evidence we would make the following key points:

- **The current rules governing Gift Aid Small Donations Scheme (GASDS) should be simplified and the scheme better promoted.** We know from data collected from our Sports Club Survey that the take up of Gift Aid on donations by eligible CASCS and charitable sports clubs is low.¹ Although we have not been able to collect detailed data on the take up of GASDS in the time available, we believe that take-up of the scheme is similarly low. While this take-up reflects, in part, the fact that many clubs rely for their income on membership fees rather than gifts, our firm view is that it is suppressed by the complexity of the existing GASDS rules. For example, the eligibility rules require an organisation to have made a Gift Aid claim within two of the last four years and with no more than two years' gap between each claim. In addition, the 'matching rule' means that GASDS claims cannot be made if they are in excess of ten times the amount claimed under Gift Aid in the same year. As many sports clubs may not make a Gift Aid claim regularly each year (or only make modest claims), this sort of complexity is problematic as it will restrict the ability of clubs who do wish to make occasional claims under GASDS, for example as a result of one-off fundraising events. In addition, the vast majority of grassroots sports clubs are run by volunteers who are unlikely to have the time or

¹ *Sports Club Survey 2013*, Sport and Recreation Alliance:
<http://www.sportandrecreation.org.uk/policy/SSC>

expertise to work through the various different requirements and who will be put off claiming as a consequence. In this context it is essential that the rules on GASDS are made as clear and simple as possible for volunteers to understand and apply to their club fundraising activities. Some options here would be to relax the requirements on having had to make a prior Gift Aid claim and/or to remove the 'matching rule' altogether.

- **Gift Aid Small Donations Scheme (GASDS) scheme should be better promoted.** We believe GASDS needs to be much better promoted in order to raise awareness of the benefits amongst eligible sports clubs (charities and CASCs). While we do not have detailed evidence of specific amounts claimed by the sector, we believe there is a much greater scope for claims under GASDS than has been the case in the short time the scheme has been operational. In part this is due to a lack of awareness of the scheme and how it can be applied to maximise club fundraising activities. However, for the scheme to be promoted successfully, it needs to be easy to understand and administer which is why we believe it is important the scheme rules are simplified at the same time.

We hope these comments help to inform your thinking and would be very happy to discuss any of the points raised further if this would be helpful.

**Sport and Recreation Alliance
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