

Is Your Academy Making the Most of its Charitable Status and Gift Aid?

James Pinchbeck, Marketing Partner

Academies are exempt charities which mean they are not required to register with the Charity Commission. However, they are still required to comply with charity legislation, but in turn they are also able to take advantage of exemptions and benefits afforded to charities. One area open to them which is not widely put in to practice is the ability to take advantage of gift aid on donations.

HM Revenue and Customs have helpfully issued a guide specifically aimed at school charities, *Gift Aid and Payroll Giving, A reference guide for school charities*, which is available from their website. In part the guide is to prevent schools from wrongly claiming gift aid, but should be read by business managers and bursars to ensure income is maximized.

The guide explains what gift aid is and how a school can claim it. It also sets out a number of practical examples and explains whether gift aid is available. The scenarios are;

- Appears to fund extra lessons
- Non-uniform days
- School fees
- Appeals towards school running costs
- Appeals to fund scholarships
- Appeals to a general reserve fund
- A building appeal
- Educational school trips
- Appeals to buy a minibus or other equipment
- Sponsored or other fund raising events
- Auctions
- Donations to E learning foundations

These scenarios will be relevant to most academies and hence a review of the guide is recommended.

The guide also provides reference to other material relating to gift aid and academies which may be relevant.

If you would like specific guidance and advice about the treatment of gift aid for your school, then we would be only too pleased to help. Streets Chartered Accountants Third Sector charities and Education Team includes specialist tax advisers experienced in all aspects of the treatment of gift aid.