

# Gift aid on membership fees

## Gift aid

Aquatics clubs registered as Community Amateur Sports Clubs (CASC's) with HMRC or charities are eligible to claim gift aid on individual qualifying donations entitling them to a tax rebate from HMRC of 25% of the donation. Clubs usually register for charity status as a Charitable Incorporated Organisation (CIO) although there are other legal forms e.g. as a Company Limited by Guarantee.

The availability of gift aid is subject to conditions. Clubs often ask whether membership subscriptions and fees are eligible for gift aid.

## CASC's

CASC's cannot claim gift aid on membership payments; this is specifically prohibited by the tax legislation.

## Charities

HMRC's position on this is that-

"Most membership subscriptions are not gifts. This is because individuals pay them to get personal use of facilities or services provided by the charity".

Their view on membership subscriptions is that they can be claimed where they-

"Only give an individual the right to vote, the right to attend the charity's AGM and are used for other basic administrative costs".

So where the subscription covers both membership and the use of services and facilities such as coaching that subscription does not qualify for gift aid. Where the annual subscription does not cover these extras it may qualify but there would have to be separate arrangements and charges for coaching, additional services etc. These additional charges would not qualify for gift aid. In that event the annual subscription if reasonable in terms of the limited benefits provided may qualify.

Gift aid would be available to a parent on an annual subscription for their child where only the limited benefits were provided and there were separate "usage" charges.

Great care is needed in setting up gift aid arrangements to ensure HMRC could not challenge them. It may be worth getting HMRC's advance agreement to the arrangements to avoid future challenge. HMRC conduct regular gift aid control visits to check eligibility and getting it wrong can prove costly with a possible claw back of gift aid tax rebates for prior years. Having the right documentation is vital and professional advice tailored to the club's own situation is highly recommended.

For further HMRC guidance on Membership Subscriptions and gift aid see-  
<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-337-membership-subscriptions>

## Disclaimer

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