

Gift Direct – a User's Guide

What is Gift Direct?

Gift Direct is the way that the Church in Wales manages Gift Aid donations. Gift Aid is a UK tax incentive that enables tax-effective giving by individuals to charities in the United Kingdom. Setting up a Gift Direct payment is a way that you can directly help the work of the Church at a local or national level.

- You, the giver are always in control
- Managing donations is easier for you and your church
- Churches get a regular monthly amount which helps planning
- Using the scheme protects church volunteers from handling cash
- If you are tax payer, Gift Aid can be claimed – increasing the value of your donation.

Why should I switch to using Gift Direct?

The reasons for encouraging a move to Gift Direct are:

- It removes the huge administrative burden from our churches of having to claim gift aid. It is getting harder to find people willing to take on the task on managing Gift Aid at church level.
- It improves cash flow to the church, making receipts more frequent and reliable. In many churches, the tax refund is claimed annually, and sometimes not for several years. Using Gift Direct the gift aid is claimed on every eligible gift each month. This means that in

addition to the gift, the treasurer knows that the tax will be received and can plan accordingly.

- Gift Direct offers the opportunity for the donor to choose to raise their gift in line with the Retail Price Index (RPI) each year. This keeps the gift up to date and means that the donor's original intention continues.
- Even without choosing the RPI increase option, the annual summary of giving from the Gift Direct team encourages people to faithfully consider their gift, and to choose to increase or decrease it as their circumstances allow.
- Our data shows that people who give by Gift Direct tend to give at a higher rate. We believe this is not because the users of Gift Direct are more generous, but because they have had the opportunity to prayerfully consider their gift before signing up to the scheme.

Frequently Asked Questions

Why does the money go through the Church in Wales?

The Representative Body (Cardiff) act as the agent. That is, they send details of the gifts to HMRC and make the claim on our behalf each month. They do this for all the dioceses in Wales and it saves the churches, the Mission Areas and the Diocesan Office from having to do all this work. They use an automated system that means it takes very little time once the donor is set up on the system.

Do they keep some of the money?

No. They pass every penny of the donation and the tax reclaim (where the donor pays tax) back to where the donor has asked for it to go.

If I don't pay tax isn't it better for me to give cash in the collection as the church gets GADS on that?

It is true that for a donor who doesn't pay tax, Gift Direct does not allow for a reclaim of tax on the gift. However, the benefits of using Gift Direct (such as regular giving and the opportunity to easily adjust the level of giving) usually outweigh the use of GASDS.

Is the form complicated?

If you join online, you need to fill in your name and phone number and tick a box to give written permission for any gifts. Your email and postcode are optional. The team at the Representative Body will then phone you to complete the leaflet for you.

The paper leaflet asks for you to give the name of the church or Mission Area you wish to receive your donation, the size of the monthly gift, your name, home address, your language preference and method of correspondence and then you sign the leaflet and pop it in the post (postage is free).

I already give by Standing Order so why should I move to Gift Direct?

Giving by Standing Order has been a good way to make gifts to the church for many years. It is certainly is a more efficient and effective way to give to the church than using the old envelope system. However, it does put the burden on the church to claim the tax back on your gift and this can negatively impact the cash flow of the church. Also, many Gift Aid Secretaries report that Standing Orders that were set up to reflect a generous gift have not altered for many years, effectively reducing the size of the gift year on year.



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