

CASC & Gift Aid

Introduction to CASC

Clubs are eligible for tax relief benefits by registering as a Community Amateur Sports Club (CASC) with HM Revenue and Customs (HMRC).

These tax reliefs include Gift Aid, a way to maximise the value of any voluntary donations. It means your sports club can reclaim tax so that for every pound donated, you can claim an extra 25p.

Over 6,500 clubs are now registered as CASC and they have benefitted from over £130 million in savings since 2002.

Both clubs with or without property can benefit with tax relief in a number of ways that will be outlined in Chapter Two.

Key benefits as a CASC

Applying to be registered with HMRC as CASC means clubs can benefit in the following ways:

- 80% business rate relief
- Higher fundraising profits with Gift Aid: 25p extra in every £1 donated
- Exemption from corporation tax (if trading income is under £30,000)

Non-domestic rates relief

For most clubs, only paying 20% of the non-domestic rates is a considerable benefit.

This is organised through your local authority but as it is mandatory, they must definitely give it.

Gift Aid

The ability to reclaim 25p for every £1 of voluntary donations is a way to increase the value of monetary gifts to your club.

The key criteria for collecting Gift Aid are that those donating are UK taxpayers and fill out a Gift Aid declaration that the Club holds on file.

Corporation Tax Exemption

Sports clubs have to pay corporation tax on their profits. However, a registered CASC is eligible NOT to pay any tax if its turnover is under £30,000.

*This figure has been earmarked by the Government to be increased to £50,000 but as of August 2014, has yet to be ratified by Parliament.

For more information on Non Domestic Rates Relief and Corporation Tax, please see the [HMRC Website](#)

Qualifying as a CASC?

For your sports club to qualify as CASC, there are certain criteria that must be fulfilled. Though the application process is fairly involved, these criteria are clear and it can help you save hundreds or thousands of pounds.

There are certain criteria you must be able to fulfil and the process though clear-cut is fairly involved but it could save you hundreds or thousands of pounds.

You can see an [A-Z of registered clubs](#) and this might be helpful in seeking advice from another Club locally before you begin.

The key criteria upon which a club will be judged are:

- Clubs must be established with a formal constitution
- Club must be open to the whole community
- Club's chief purpose has to be providing facilities for sports and encouraging participation
- Club has to be organised on an amateur basis
- Club has to be set up and providing facilities in an eligible area
- Club must be run by fit and proper persons

For each of these broad criteria, there are further questions to address as outlined in the [HMRC CASC](#) section of the website.

Open to the whole community means:

- Anyone can become a member free from discrimination
- As a member, anyone can use the club facilities
- Any fees don't obstruct either becoming a member or using the facilities

Organised on an amateur basis means:

- Provides members and guests ordinary benefits of an amateur
- The club is non-profit making
- In event of the dissolution of the club, assets are to be applied for approved sporting or charitable purposes

Level of fees means:

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The costs involved in participating in sport vary enormously but when considering a CASC application, the HMRC are looking for evidence that a club isn't prohibiting participation.

For more information on which clubs can qualify, please see the [HMRC Website](#)

How to become CASC registered

When your club understands the regulations of being a CASC and is thought to meet the required criteria, it's time to apply:

- First, read the [Guidance Notes](#)
- Fill out the [CASC Form](#) (directly online or after downloading the PDF file)
- For telephone support, call the Charities Helpline on Tel 0845 302 0203 (open from 8am to 5pm, Monday to Friday). Choose option 4 for CASCs.

You can fill out the form online but you might need to update your PDF viewer to the latest version of Adobe Reader for Windows, Mac, or Linux: <http://www.adobe.com/products/acrobat/readstep2.html>

How long does the application process take?

Application times can vary, but allow around 6-7 weeks for a decision from HMRC. If your club's application needs further work then you will be notified and given 60 days to make the necessary changes.

If your Club is not successful then it is possible to appeal

Is CASC right for us?

CASC registration offers money-saving and generating opportunities in many instances, but the key question is whether a Club will qualify.

Other regulations to bear in mind:

- Becoming CASC registered is a permanent decision, a club can't change their mind and revert back.
 - The club's constitution will either need to conform to HMRC's criteria or change their constitution accordingly.
 - The club needs to continue to comply with CASC rules.
 - Any club profits have to be reinvested in the club.
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Qualifying for Gift Aid

One of the key benefits of applying for CASC status is the ability to qualify for Gift Aid from individual donations.

For every £1 donated you can claim 25p tax relief, so a donation of £100 would be topped up to £125 with Gift Aid.

The Gift Aid element of that would need to be claimed back separately.

*Donors MUST have paid enough tax to cover the tax reclaimed by CASC or they might find HMRC asks for that at a later date.

Donations that qualify for Gift Aid include:

- Cash
- Cheque
- Direct Debit
- Credit or Debit card
- Postal order
- Standing order

Clubs must ensure they obtain a [Gift Aid declaration](#) from every donor prior to making a claim.

Make sure you comply fully with that constitutes a Gift Aid declaration by either downloading one of [HMRC's templates](#) (see section on Using an HMRC model Gift Aid declaration) or double-checking against [their checklist](#).

Gift Aid and Benefits for Corporates:

Donations from companies do not qualify for Gift Aid but donors can benefit from tax relief on the donation, depending on which tax rate they are on.

Choosing an authorised official

A CASC club will need to nominate an official for Gift Aid purposes before making a Gift Aid claim, so they can submit repayment claims and receive money on behalf of your CASC.

Making a Gift Aid Claim

You can make a claim via the [Charities Online](#) service or by posting back a ChR1 form (which you request by [contacting HMRC](#)).

Vital Record Keeping

Keeping accurate records relating to Gift Aid is very important to avoid any future misunderstandings and to be able to provide an audit trail.

Your CASC needs to keep:

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- All Gift Aid declarations and proof that the donor has been told that they must pay at least as much UK Income Tax and/or Capital Gains Tax (for the tax year that they donate), as all the charities and CASCs that they donate to will reclaim on their gifts.
- Cancellations of Gift Aid declarations.
- Benefits provided to donors.

For more information on Gift Aid, please see the [HMRC Website](#)

Government Changes in 2014

Following consultation, the Government has implemented significant changes to the CASC scheme with amendments and clarification.

Here are the key changes as outlined by Sport England:

- Clubs will be able to charge annual membership and participation fees of up to £520 a year. If a club charges over £520, provisions should be made for people on lower incomes in order to be considered open to the community.
 - Clubs will be able to financially support players subject to a limit of £10,000 a year per club.
 - Clubs will be able to pay reasonable travel and subsistence expenses to players where they are participating in away games and club tours.
 - There will no limit on the amount of income clubs may generate from members but there will be a limit of £100,000 they can generate from trading with non-members.
 - Government will extend, for the first time corporate Gift Aid to CASCs; a new source of revenue support for these clubs.
 - The threshold for the exemption from tax for trading income will be increased from £30,000 to £50,000 and for rental income will be increased from £20,000 to £30,000.
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Further Reading

If you would like some extra information on becoming a CASC, this can be found by using the links below

CASC Info: www.cascinfo.co.uk

HMRC: <http://www.hmrc.gov.uk/charities/casc/index.htm>

Sport England: <http://www.sportenglandclubleaders.com/changes-with-casc/>

Comparison between Charitable status and CASC status: <http://static.ecb.co.uk/files/clubs-casc-v-charity-11633.pdf>