

thoughtfully

wisely

secretly

efficiently

**Giving**

wisely cheerfully

secretly

efficiently

thoughtfully

cheerfully

- Gillingham
- Community
- Church

# About this booklet

This booklet has been put together for those who contribute, or are thinking about making contributions, to the work of the church at Gillingham Community Church.

It contains four sections as follows and there should be a couple of forms tucked in the back should you wish to take this further.

You may not want to read them all now. You can read each section on its own—the booklet is intended to be a source of reference.

If all of this is too much, or you would like to discuss this further, then just ask the treasurer or gift-aid administrator to talk it through with you. The sections are:

- *The biblical principles of giving*
- *An example of the benefits of gift-aid giving*
- *The mechanics of giving*
- *Frequently-asked questions*

# The biblical principles of giving

These questions were put to Rev Ewen Huffman, minister at Winchester Baptist Church, to give us some insight on the subject of giving from a specifically biblical perspective.

## The Bible says we should give, but why?

Well—this passage and others give us some reasons why we should:

‘Remember this; whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each man should give what he has decided in his heart to give, not reluctantly or under compulsion—for God loves a cheerful giver. And God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work...You will be made rich in every way, so that you can be generous on every occasion...’

*2 Cor 9:6–11*

## Because of what God has given us

God has given us so much materially; we have been ‘made rich in every way’ (v11), and so we want to give some to Him in gratitude.

God has given us so much in Himself: He gave us Jesus, who gave His life for us! His ‘incredible gift!’ (v15).

## Because it's all His, anyway

'All things come from you, and of your own do we give you' (*Book of Common Prayer*).

This is true! It's straight out of Acts 17:24, 25. The issue is not how much of our wealth we should give, but how much of His wealth God lets us keep! In fact, keeping too much is described in the book of Malachi (3:8) as robbery!

It's God's, so do what He wants with it and in His goodness He lets us keep most of it!

## Because we need to

It truly is 'more blessed to give than to receive' (*Acts 20:35*) and we do feel God's love if we give cheerfully (v7).

## Because it's what Christians do!

'each man should give...' (v7)

Are you a follower of Jesus Christ?—then God assumes that when you gave yourself to Him, you gave Him your wallet as well! I know that sounds hard—but that's how the Bible presents it without beating around the bush.

## Because His kingdom needs us to (v13)

God's kingdom needs practical support to grow and that means committing our wallets to the kingdom. If you are a church member you have committed to the work of the church and that includes a financial commitment.

## What should we give?

In the Old Testament, people gave a 'tithes' (10%) to God's work and freewill offerings on top of that (*Lev 27:30*). Some argue that in New Testament times we should give likewise—well they're wrong! God wants you to be prepared to give **everything** in New Testament days.

However, in the New Testament we are not driven by laws, but led by the Spirit. (*Roms 7:6*) (also you could argue they didn't have NI contributions and 20% tax to contend with in those days!) So, the **principle** applies: we **should** give, and 10% **is** a good figure to aim for—but the exact amount is for you and the Lord to decide: 'each man should give what he has decided in his heart to give' (v7).

This necessitates prayer, openness and obedience. He may ask you to give more than 10%. But God is no man's debtor, and He knows best.

So: aim to give 'in keeping with your income' (*1 Cor 16:2*) and check how you're doing by the 10% guideline. Keep asking God 'anyone else who you want me to give to, Lord?' If you can't give 10%: give what you can, not what you can't—and plan to tailor your budget so that eventually you can give more.

**cheerfully**

## How should we give?

### **Give cheerfully** (*v7, lit: hilariously*)

If you cannot do it with gratitude (or without motive) it may be best for you not to do it at all until you get that sorted out.

### **Give secretly** (*Mt 6*)

Keep it just to yourself. The leaders don't know who gives what and don't want to; only the gift-aid administrator/treasurer need know.

### **Give thoughtfully**

Plan your giving (*1Cor 16:3 'On the first day of every week each one of you should set aside...'*). Make sure God gets the first bite at your income, not the 'fag end'. Often standing order is the best way to do this. It also ensures that you give regularly.

### **Give efficiently and wisely**

If you are a tax payer it is simply wise to 'gift-aid' the money! God honours governmental authority—and the ones He has instituted here have said they won't tax you for money given to charities...so take advantage of it!

### **Give to the place where you worship**

Give to the church whose ministry you benefit from. You benefit from them—make sure they receive from you. The principle of the OT tithe going totally to the temple is a valid one, so give to them first, and regularly. Make sure their needs are being met.

### **Give elsewhere**

God's kingdom exists beyond the local church but remember as a church we have committed to send people out and need to support them. We need to keep a global vision for God's work and specifically support certain projects that he lays on our hearts if they are not supported by the local church. You will also have friends in Christian service who you wish to support, or maybe a caring project. Give some regularly, and keep some for flexible giving if the Lord touches your heart as a one off. This is good, as it develops our discipleship, keeps us listening to the Lord and asking 'where now, Lord?'

It is possible for you to improve the return to the church on what you give already simply by the use of gift-aid. This is because the present taxation laws allow us to reclaim the tax you paid on the amount you earned before you gave it to the church.

**secretly**

# An example of the benefits of gift-aid giving

Pugh Sitter has been a regular contributor for some time now and he has always made his contribution in the offering plate and has on average given about £10 per week and sometimes £20.

Over the year he thinks he has given about £600.

## Benefit for the church

If he sets up a standing order for the same amount payable £50 monthly the following happens\*:

The church receives                    £ 600 pa  
The church claims the tax paid £ 150 pa

Total received by the church    £ 750 pa  
or the equivalent of around        £ 63 per month

**All this just for filling in a couple of forms.**

## Benefit for Pugh

In addition because Pugh is a 40% tax rate payer there is an additional benefit to him.

The inland revenue presently allows Pugh to extend the basic tax rate band by the amount of his gift aid (before basic rate tax) and therefore allows him a refund of the difference between the 40% and 20% basic rate.

In this example Pugh gave        £ 600 pa

**The refund to Pugh would be approximately\*:**

20% [40-20] of £750                = £ 150 pa

In fact Pugh is giving £450 net of tax or the equivalent of £38 per month.

Pugh puts in                                £ 38 per month

and the church  
eventually receives                    £ 63 per month

**an increase of around 66% for the church.**

**N.B. This additional benefit applies to higher-rate taxpayers only.**

If Pugh decided to give his money in two lump sum gift-aids of £300 exactly the same figures would apply.

*\*All figures are rounded to the nearest pound.*

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For the church to reclaim the tax there is now just one simple method of giving for tax-payers.

## Gift Aid

Gift aid is tax relief on money donated to UK charities whether as one-off lump sums or regular donations.

HM Revenue & Customs treats donations as if the donor had already deducted basic rate tax from them. The church can then reclaim this tax to increase the value of the donation.

### Donors must

- ***pay enough UK income tax and/or capital gains tax themselves to cover the amount of tax the charity will reclaim***
- ***give the church a gift-aid declaration, which should include***
  - your name
  - your home address
  - the church name
  - details of the donation, saying that it is a gift-aid donation
  - confirmation that you have paid enough UK tax to cover the tax the church will reclaim

A gift-aid declaration form is available for you to complete — ask the gift-aid administrator or the treasurer.

A declaration can be made to cover individual donations, a series of donations, can cover donations made during a specified period or to cover all future donations. It can also be backdated for up to 6 years prior to the date of the declaration provided the donation was made since 6 April 2000.

## Methods of Donating

You must donate your own money. The donation can be made by cash, cheque, postal order or standing order. Online bank transfer is also acceptable.

If you wish to give by standing order, please complete a standing order mandate (available from the treasurer or gift-aid administrator) and send it to your bank.

## Tax relief for you

Giving with gift-aid may benefit you as well:

### Basic rate tax-payers

Unfortunately basic-rate tax-payers cannot claim further tax relief on the payments.

### Higher rate tax-payers

Higher-rate tax-payers can claim higher-rate relief on the payments by entering the donations in the gift-aid box on their self-assessment tax return. If you receive a form P810 you can declare your gift-aid payments on it.

# Some frequently-asked questions about tax-efficient giving

**Q Who can make tax-efficient gifts?**

A Anyone (including retired people, students etc.), who pays income tax.

**Q What if I pay tax at a lower rate than the basic rate (currently 20%)?**

A You do not need to pay income tax at the basic rate equal to the tax reclaimed by the church on your donations. Instead, you must pay an amount of income tax and/or capital gains tax, whether at the basic rate or some other rate, at least equal to the tax deducted from your donations. This means that donors who previously may have paid tax at a marginal rate between the lower and basic rates of tax (and therefore had not paid enough tax at the basic rate to cover the tax reclaimed by the charity) will no longer have additional tax to pay.

**Q What if I only receive income from dividends paid by UK companies**

A That's fine. Even though you cannot receive payment of non-payable tax credits on dividends paid by UK companies, those credits can be used to cover the tax reclaimed by the church on the donation. Tax deducted from bank and building society interest etc., and not repaid, can also be used to cover the tax reclaimed by the church.

**Q How do I make a gift-aid declaration?**

A It's very simple —just complete a gift-aid declaration form and give it to the gift-aid administrator.

**Q How does the church get tax relief from my covenant?**

A The church provides HM Revenue & Customs with proof that you have donated the sum stated. We then make regular claims against all the gift-aids and the HM Revenue & Customs sends us a cheque.

**Q What if I am not paying any tax?**

A You should **not** complete a *gift-aid declaration* and should ensure that the treasurer is aware that tax should not be reclaimed on your donations.

**Q What if my circumstances change and I can no longer afford to pay my standing order?**

A You can cancel/lower/increase your standing order at any time by contacting your bank. Please let the treasurer/gift-aid administrator know as soon as possible about any amendments so that we know how much to expect when reconciling the accounts.

**Q Can I direct my giving to a certain cause?**

A The church's budget is carefully formulated and relies on regular donations. However, if you wish to direct an **additional** donation to a particular cause or item, please speak to the treasurer. We sometimes take up an offering for a particular cause. If you mark any such donation with your name then we can claim back the tax on those as well, provided you ticked the appropriate section on your gift-aid declaration. If not, simply complete one covering that donation.

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