

Guidance Notes for Charities and Approved Bodies concerning what constitutes a relevant Donation under Section 848A, Taxes Consolidation Act 1997

Under the terms of the legislation governing the operation of the Donations Scheme, tax relief can only apply to donations which:

- are €250 or greater in one year, subject to a maximum of €1,000,000 aggregate amount of donations made by an individual
- are in the form of money or shares, or a combination of money and shares
- are not repayable
- do not confer a benefit on the donor or any person connected with the donor, and
- are not conditional on, or associated with, any arrangement involving the acquisition of property by the charity or approved body.

In addition to the above, a donation is a relevant donation where it was made by an individual that:

- has given an annual certificate or enduring certificate in relation to the donation to the approved body,
- has, for the relevant year of assessment, paid the tax referred to in such annual certificate or enduring certificate
- is resident in the State.

Are payments of School Fees Acceptable under Section 848A T.C.A. 1997?

Payment of School Fees or contributions/donations substituting for school fees do **not qualify** as eligible donations for the purposes of tax relief under the Donations Scheme. Any such payments, which confer a benefit on the donor or any person connected with the donor, must not be included as donations for the purposes of claiming Tax relief under the Donations Scheme.

Fundraising by Charities/Approved Bodies and the “No Benefit” Condition

This Scheme was introduced to promote benevolence towards Charities and other Approved Bodies and not to provide tax relief for contributions, the purpose of which is some personal benefit. Thus, **donations must be at arms length and no benefit whatsoever may attach in order to attract tax relief.**

Benefits such as preferential rights of entry to prestigious events, particularly where entry may normally be subject to a cover charge, would constitute a benefit in consequence of having made the donation.

Annual membership subscriptions to such bodies would generally carry with them a benefit to members.

The property clause included in the scheme’s provisions is there towards ensuring that any donations that might either be linked with or contingent upon the completion of a property transaction by an approved body cannot constitute a relevant donation for the purposes of the scheme.

However, charitable organisations are not prohibited from using donations made under this scheme towards the purchase, repair or enhancement of property as long as such activity is necessary for the furtherance of the main object of the Charity.

Fundraising being generated by Charities through overseas events, such as walks and cycles

Should a benefit in the form of e.g. travel expenses, accommodation etc. accrue to a donor participating in such an overseas event, then no tax relief can apply to any ‘donation’ received from such participant.

Sponsorship

Any sponsorship or contributions raised in their locality by donors and which, in turn, may be represented as constituting the donor's own contribution will not qualify for tax relief.



The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.