

Charitable Donation Scheme

Tax relief for donations to approved bodies

Section 848A and Schedule 26A TCA

Part 36-00-17

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1. Introduction

Section 848A and Schedule 26A Taxes Consolidation Act 1997 (TCA) provide for tax relief for donations to “approved bodies”, which is referred to as the Charitable Donations Scheme or CDS. The list of approved bodies is set out in Schedule 26A and includes “eligible charities”, schools, colleges, universities, bodies approved for education in the arts and bodies within section 209 TCA, which covers certain bodies having consultative status with the UN or the Council of Europe which are established for the promotion and/or protection of human rights.

2. Donations qualifying for tax relief

To obtain tax relief under the CDS, the minimum donation in a single year of assessment or accounting period that must be made to any approved body in the form of money or designated securities, or a combination of money and designated securities, is €250 (section 848A(1) TCA – definition of “relevant donation”). Cash donations made in instalments (for example, by standing order or direct debit) also qualify. The maximum qualifying donation amount by an individual in a year of assessment from 2013 onwards is €1m (section 848A(3A)(a)(i) TCA). Where securities are donated, and tax relief is claimed under section 848A TCA, the capital gains tax relief for donations of assets to charities, as provided for in section 611 TCA, does not apply (section 848A(9A) TCA).

Where there is an association between a donor who is an individual and an approved body at the time a donation is made – for example, where the donor is an employee or member of the approved body – relief under the scheme is restricted to 10% of the individual’s total income for the year of assessment in which the donation is made (section 848A(3A)(i)(ii) TCA).

A donation must also satisfy the following conditions (section 848A(3) TCA):

- it must not be repayable,
- it must not confer any benefit, either directly or indirectly, on the donor or any person connected with the donor, and
- it must not be conditional on, or associated with, any arrangement involving the acquisition of property by the approved body.

3. Donations that do not qualify for tax relief

The following are examples of payments that confer a benefit on the donor or a person connected with the donor and therefore do not qualify as eligible donations for the purposes of claiming tax relief under the CDS:

- School fee payments or contributions/donations substituting for school fees.
- Sponsorship or contributions raised in their locality by donors and which, in turn, may be represented as constituting the donor's own contribution.
- Fundraising generated by a charity through overseas events, such as walks and cycles, where the charity covers the expenses of a participant (for example, travel expenses and accommodation).
- A donation which grants benefits such as preferential rights of entry to prestigious events, particularly where entry may normally be subject to a cover charge.
- Annual membership subscriptions to bodies.

4. Donations by individuals for 2013 and subsequent years

From 1 January 2013, tax relief under section 848A TCA in respect of donations made by individuals (whether self-assessed or PAYE-only taxpayers) to an approved body is given to the body rather than to the donor. A donation which satisfies the conditions of section 848A is grossed up at the "specified rate", currently 31%¹, so the donation is multiplied by 100 and divided by 100 minus 31 to arrive at the grossed-up amount. The approved body is deemed for the purposes of the relief to have received the grossed-up amount net of tax deducted at the specified rate.

Example

Jo makes a cash donation of €1,000 to an approved body in the tax year 2023. The body is deemed to have received a donation of €1,449.28 (that is, €1,000 grossed up at 31%²) less tax deducted of €449.28. If Jo has paid income tax for 2023 of at least €449.28, the approved body can obtain a refund of that amount from Revenue after the end of the tax year 2023.

The amount repaid to an approved body for any tax year cannot exceed the amount of tax paid by the donor for that year (section 848A(9) TCA). For example, if Joan's income tax liability for 2023 is €350, and she has paid that liability, the repayment to the approved body is restricted to that amount.

A donor who is an individual must forward either a completed [Enduring Certificate](#) or [Annual Certificate](#) to the approved body in question to enable it claim a refund of income tax on the grossed up amount of the donation.

A donor is not entitled to a repayment of any tax that has been repaid to an approved body under this scheme (section 848A(9B) TCA).

¹ To gross up by 31%, multiply the donation by 100 and divide by 69 (100 minus 31)

² €1,000 x 100/(100-31) = €1,449.28

5. Donations by companies

When a company makes a qualifying donation to an approved body, it claims a deduction for the donation as if it were a trading expense or an expense of management for the accounting period in which it is paid (section 848A(4) TCA). Where the company makes a donation in an accounting period which is shorter than 12 months, the deduction for the donation is proportionately reduced (section 848A(6) TCA).

6. Approved bodies

Schedule 26A TCA provides the list of “approved bodies” for the purposes of the CDS. These are:

- a body approved by the Minister for Finance for education in the arts;
- a body approved by Revenue as an “eligible charity” (see paragraph 7 below);
- an educational institution, defined under section 53(1)(a) of Higher Education Authority Act 2022, or a body set up to fund such an institution;
- an educational institution, under the Local Authorities (Higher Education Grants) Acts 1968 to 1992, or a body set up to fund such an institution;
- an institute of higher education providing courses validated by the Qualifications and Quality Assurance Authority of Ireland under the Qualifications and Quality Assurance (Education and Training) Act 2012;
- primary schools;
- secondary schools;
- the Royal Irish Academy; and
- a body established for the promotion of human rights in accordance with section 209 TCA.

7. Eligible charities

An “eligible charity” is a body which has received a valid authorisation from Revenue for the purposes of the CDS. Schedule 26A Part 3 Paragraph 3 TCA outlines the conditions for authorisation to become an eligible charity. To obtain an authorisation, an applicant body must satisfy Revenue that:

- it is established for charitable purposes only,
- its income is applied for charitable purposes only, and
- before applying for authorisation—
 - if it is a body established in the State, it has been granted charitable tax exemption in respect of its income under section 207 TCA³, or

- if it is a body established in a European Economic Area (EEA) state other than Ireland, a European Free Trade Area (EFTA) state, or the United Kingdom, it received a notice of determination from Revenue under section 208A TCA prior to the date of the application;
- it provides such other information as Revenue may require for the purposes of its functions under Schedule 26A Part 3 TCA; and
- it complies with such conditions, if any, as the Minister for Social Protection may specify for the purposes of Schedule 26A Part 3 TCA.

If a charity or charities undergo a process of re-organisation or amalgamation and each re-organised or amalgamated body has held an authorisation to operate the Charitable Donations Scheme prior to the date of the initiation of the process of re-organisation or amalgamation, and the winding up and distribution of all of the assets of each restructured or amalgamated body has been completed, then the successor body shall be deemed to comply with the requirement to have held the exemption under section 207 TCA.

Schedule 26A Part 3 Paragraph 3 TCA previously provided that an approved body would not receive an authorisation under the CDS unless it had been granted exemption from tax under section 207 TCA by Revenue for at least two years before applying for the authorisation or, if it was a non-Irish charity, unless it had received a notice of determination from Revenue in accordance with section 208A TCA for at least two years before applying for the authorisations. Where the body had been subject to a process of amalgamation, re-organisation, or restructuring, all the predecessor bodies had to have held the authorisation to operate the CDS for at least two years for the “successor body” to be eligible to get tax relief on donations (Schedule 26A Part 3 Paragraphs 3A and 3B). The two-year period was removed by Finance Act 2024. meaning this restriction no longer applies with effect from 1 January 2025.

8. Authorisation

Applications for authorisation under the CDS must be submitted through [Revenue Online Service \(ROS\)](#). In the ‘My Services’ tab, under ‘Other Services’, please select ‘Charities and Sports Bodies eApplications’.

The following must be attached with the application:

- the body’s latest financial accounts, including a breakdown of income and expenditure; and
- its latest annual report, or details of recent activities carried out by the charity.

³ Please refer to Tax and Duty Manual [Part 07-01-06](#) for further information on the charitable tax exemption.

The latest financial accounts should be signed by two trustees if the annual income is less than €250,000. The latest financial accounts should be audited and signed by the auditor if the annual income is greater than €250,000.

Authorisations are valid for periods ranging up to five years (Schedule 26A Part 3 Paragraph 6 TCA) and upon expiry may be renewed by making a fresh application.

Where Revenue withdraws the authorisation of an “eligible charity” as an approved body for the CDS, by notice in writing in accordance with Schedule 26A, Part 3, Paragraph 7, a donation made in good faith to the body by a company in the period from the date from which the withdrawal of the authorisation becomes effective to the date of the notice of withdrawal, is treated as a relevant donation made to an approved body. This is notwithstanding that the donation may have been made after the effective date of the withdrawal of the authorisation from the body in question.

Bodies authorised for the CDS are listed on Revenue’s website:

- [LIST A](#): Resident charities authorised under the “Scheme of Tax Relief for Donations to Eligible Charities and other Approved Bodies” under the terms of Section 848A TCA.
- [LIST B](#): Non-resident charities authorised under the “Scheme of Tax Relief for Donations to Eligible Charities” under the terms of Section 848A TCA.

9. Additional information

Further information on the CDS is available:

- from the Revenue website: [companies-and-charities/charities-and-sports-bodies/charitable-donation-scheme](#);
- Revenue’s Notes for Guidance on section 848A TCA: [click here](#);
- Revenue’s Notes for Guidance on Schedule 26A TCA: [click here](#);
- Forms for the scheme: [Enduring Certificate](#) and [Annual Certificate](#).

10. Contact details

Revenue’s Charities and Sports Exemptions Unit can be contacted via the My Enquiries facility or by telephone at 01 738 3688.