

# Can I Gift Aid my sponsorship monies?

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## What is the benefit rule?

If a person receives a significant benefit as a result of giving money to charity, HMRC no longer see this gift as a voluntary donation, so it would not be eligible for Gift Aid. The Benefit Rule is used by HMRC to determine a level above which a donation is no longer considered a voluntary gift.

## When does the benefit rule apply?

It is most often fundraising events which fall foul of these strict rules. For example, charity challenge events, such as overseas or adventure events where accommodation/travel/food is provided, will give a large benefit to participants who fundraise to cover their costs. If the charity is paying towards the cost of the event, then the benefit rule also applies. Examples of such events include:

- Overseas treks
- Skydiving
- Challenge events such as the 3 peaks challenge
- Long distance bike rides

If the benefit rule is breached, donations from connected persons are also ineligible for Gift Aid. If the person receives a benefit, such as free accommodation, their connected persons are deemed to also benefit from this, rendering their donation ineligible for a Gift Aid claim.



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## What is a 'Connected Person'?

A connected person is defined as:

- Spouse/civil partner of donor
- Linear relative of donor or spouse/civil partner
- A company under the control of the donor or one of the connected persons

## Still not sure?

You should check with the person you are sponsoring before ticking the Gift Aid box. Detailed rules are available at [www.gov.uk/guidance/gift-aid-what-donations-charities-and-cascs-can-claim-on](http://www.gov.uk/guidance/gift-aid-what-donations-charities-and-cascs-can-claim-on).



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