

Further Guidance on Schools availing of Tax Relief on Charitable Donations

When a school is registered with the Revenue Commissioners it can avail of the Charitable Donations Scheme giving the school a tax rebate on donations it receives from individuals. The school will receive a CHY number from Revenue. Certain terms must be fulfilled by the school to avail of the tax rebate.

1. Application for a CHY number

To apply to for charitable tax exemption and receive a CHY number schools must

- i. Be registered with the Charities Regulator and have a Registered Charity Number (RCN). See [here](#) for further information.
- ii. Be registered with Revenue for tax (Payroll taxes, VAT, RCT etc.)
- iii. Be registered for Revenue Online Services (ROS).

You must submit an application through ROS:

- sign into ROS
- go to the 'Other Services' section in the 'My Services' tab
- select 'Charities and Sports Bodies eApplications'.

Schools will be required to provide the following information as part of the application:

- Registered Charity Number (RCN)
- Details of all trustees i.e., board of management members

Schools with roll numbers are **not** required to provide financial statements, statements of activities and plans or copies of your constitution as part of the application.

2. Terms of the Charitable Donations Scheme

Once Revenue grants a school a CHY number all relevant tax reliefs/exemption will be available.

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
- 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.

A donation which satisfies the conditions of section 848A is grossed up at 31%.

For example, Joan makes a cash donation of €1,000 to the school in the tax year 2020. Under the Tax Relief Scheme the school is deemed to have received a donation of €1,449.27 (i.e., €1,000 grossed up at 31%) less tax deducted of €449.27. The school will receive a tax rebate of €449.27 if Joan has paid income tax of at least that amount.

3. School Administration Charges/Transition Year Charges/Fees etc.

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. This includes **School Administration Charges/Transition Year Charges/After school study charges etc.** Only voluntary contributions from parents of €250 or greater per year for which the donor does not get a direct benefit are allowable. The donation to the school must not confer any preferential rights on the donor.

4. Donor

The school must request all donors to complete a [CHY3](#) Cert form and this will allow the school to claim tax relief in respect of all donations by the donor made to the school during the lifetime of the certificate normally five years. Donors making a once off donation should complete a [CHY4](#) form.

Where a company donates money to the school, it is the company that can claim a tax deduction for the donation.

5. Submitting Claims

For repayment purposes, the details contained in the CHY3/CHY4 cert forms must subsequently be forwarded by the school to Revenue using the Revenue Online Service – ROS. The claim can be submitted following the end of the tax year in which the donation is made. Claims must be made within four years.

See [here](#) for further information

6. Deposit Interest Income

Schools (with an RCN and CHY number) are entitled to receive Irish Deposit interest without deduction of DIRT - schools must notify the bank of its charitable status.

Further information or clarification on any of the issues raised in this Guideline can be obtained from the FSSU.