



Relief Chest Operating Procedure

April 2023



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*Information referenced in this section is available online at <https://mcf.org.uk> or
[please click here to contact the team for further assistance](#)*

Introduction

- 1.1 In April 2016, the Relief Chest Scheme of the Freemasons' Grand Charity, Registered Charity number 281942, became part of the Masonic Charitable Foundation (MCF) and was set up in 1986 initially to help Lodges make charitable donations efficiently.
- 1.2 This was subsequently extended to assist other Masonic organisations operating within England and Wales which the UGLE accepts that its members may join.
- 1.3 Each individual charitable account be it a Lodge, Chapter or other Masonic unit is called a Relief Chest.
- 1.4 This document is intended to provide guidance on the rules and protocols.
- 1.5 The Relief Chest team are referred to as the 'team' throughout this document and available to provide support and advice Monday to Thursday from 9am-5pm and Friday 9am-4pm (excluding bank holidays).

Contact details



reliefchest@mcf.org.uk



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2. How does the Relief Chest work?

- 2.1 Funds held may **only** be used for charitable purposes. The Relief Chest will claim Gift Aid tax relief on eligible personal donations on behalf of the Relief Chest holder (holder). Upon receipt of tax repayments from HM Revenue and Customs (HRMC) the tax reclaims are credited to the chests against the donors' names.
- 2.2 The Relief Chest endeavors to deposit funds held in all chests in low risk secure accounts. The interest earned on deposits is tax free and is credited to the Relief Chests in proportion to the balances held.
- 2.3 At the request of a holder, the Relief Chest will make charitable donations to registered charities, to any Festival/Appeal Relief Chests or for the relief of individuals in distress.
- 2.4 All Relief Chest funds are the assets of The Freemasons' Grand Charity (Grand Charity) and are reported as restricted funds in the annual accounts. Donations will be made in accordance with the wishes of the holder subject to the rules and protocols.
- 2.5 The holder is not permitted to use its chest as a free banking service simply to invest funds at advantageous rates and then repatriate the money into any of its own accounts.
- 2.6 A Relief Chest must not be used to accumulate or hoard funds for deposit or for investment purposes. For this reason donations must be made regularly to charitable causes. Furthermore, these funds may not be used to cover the annual contributions payable under Rule 271 of the Book of Constitutions.
- 2.7 A Relief Chest Representative (Chest Rep) acts as the agent of individual donors and of his Lodge, Chapter or other Masonic unit and **not** as an agent of the Grand Charity.
[For more information refer to section 4.](#)

3. Opening a Relief Chest

- 3.1 Applications can be submitted at any time and once the application has been received, verified and acknowledged by the team, activation will commence immediately.

a) Lodge or Chapter

To open a Relief Chest a resolution must be passed in open Lodge or Chapter subject to their by-laws and practice. Prior notice of motion is not required. The application form must be signed by the Secretary of the Lodge or Scribe E of the Chapter. If Secretary is to be the relief chest rep, the form must be countersigned by another officer.

b) Other masonic unit

A Provincial Grand Lodge or other masonic unit may open a Relief Chest by completing the application form. The application must be signed by the Provincial Grand Secretary or equivalent of the unit or masonic organisation.



4. The Relief Chest Representative

- 4.1 Every holder must appoint a designated representative who shall be the point of contact with the team and responsible for requesting donations to be made.
- 4.2 The representative may not necessarily be the Charity Steward and can hold the position for as long as the holder wishes without the need for re-appointment. The representative is the **only** person with whom the team will be in communication with unless he is unavailable. In this case, the communication will take place with the Lodge Secretary, Chapter Scribe E or any other authorised officer.

a) Changing the Relief Chest Representative

The holder may replace its representative at any time and appoint a new one in his place. The team are under no obligation to communicate with the new appointee until the completed change of representative form has been completed and submitted and will revert to the incumbent in the interim.

b) Responsibilities and rights of the Relief Chest Representative

The Relief Chest is committed to ensuring the privacy and confidentiality of personal information provided to us. This statement of responsibilities sets out how we expect the representatives to use and protect personal and any other information provided to them, to help administer their chest. The “Statement of Responsibilities” can also be found on our website <https://mcf.org.uk/policies/privacy/statement-of-responsibilities-for-relief-chest-representatives/>

5. Payments into Relief Chests

- 5.1 Payments into a Relief Chest arise from five sources:
- a) Personal donations
 - regular
 - single
 - b) Non-Personal donations
 - c) Legacies
 - d) Gift Aid tax relief
 - from donations made by qualifying UK tax payers who have made a valid Gift Aid declaration
 - e) Interest
 - earned on the qualifying balance held in the Relief Chest



a) Personal donations

Regular Donations

Regular Donations are paid by direct debit. A donor who has a current account with a UK bank or building society can set up a regular donation to pay a specific amount monthly, quarterly, bi-annually or yearly for a set period or indefinitely. All direct debits set up for a Relief Chest come with the banks Direct Debit Guarantee. A regular donation can be cancelled at any time by contacting the team or the donor's bank.

A regular donation can be set up by:

- ✓ Online - <https://donate.mcf.org.uk/donate/>
- ✓ Post - completing the regular and single donation form
- ✓ Phone - by contacting the team

Single Donations

A one off donation can be made by:

- **Digital**
 - ✓ scanning a QR code using a smart phone, iPad devices and Windows PC
 - ✓ using the url in browser that comes with the QR code
- **Online**
 - ✓ fundraising platform via “make a donation” option
 - ✓ sponsor a fundraiser
 - ✓ create a fundraising page
- **Post**
 - ✓ A Single donation form with a cheque made payable to The Relief Chest Scheme
 - ✓ A Debit or Credit card donation form
 - ✓ Charity vouchers – CAF/KKL
 - ✓ Gift Aid Envelope
 - ✓ Gift Aid Sponsorships
- **Phone**
 - ✓ by contacting the team
- **Bank transfers**
 - ✓ by contacting the team



b) Non-Personal donations

A holder can make a donation into a Relief Chest from their general funds, raffle collections, or any donations from other sources.

The non-personal donations are sent in with a 'miscellaneous donation form' and deposited by either cheque (made payable to The Relief Chest Scheme) or by bank transfer.

c) Legacies

From time to time, an individual may wish to include a legacy gift in their Will in favour of the Grand Charity, with the restriction that the funds be used for a particular Relief Chest account.

Although it is possible to leave a legacy gift in this way, we would still strongly advise anyone wishing to do this to consult with a legal advisor prior to making their Will. We do have suggested forms of wording for leaving either pecuniary or residual legacy gifts in this way and should anyone wish to receive a copy of the wording, they should contact the MCF Legacy Manager in first instance legacy@mcf.org.uk

Very occasionally a holder may be the direct beneficiary of a legacy gift but may wish to re-direct the gift to their Relief Chest account. Although this may be possible by use of a Deed of Variation, we would strongly advise that legal guidance is sought first as a number of legal requirements need to be met in order to create such a Deed.

The MCF may incur legal fees in dealing with a legacy made for the benefit of a Relief Chest and reserves the right to deduct any such legal fees from the Relief Chest concerned, at its discretion.

d) Gift Aid Tax Reclaim

Gift Aid is a tax relief for charities in the United Kingdom (UK) to increase donations at no extra cost to the donor. Charities, such as The Grand Charity, can reclaim tax from HMRC on donations received from individuals who pay sufficient UK tax on any amount they donate to the Charity.

The donor must have paid at least as much UK tax as the Charity is reclaiming on the donation. Basic rate tax relief is reclaimed by the Charity on the donation, thereby enhancing the amount of money received.

The donor must have made a valid Gift Aid declaration, which contains mandatory information including the name of the Charity receiving the gift.

Information referenced in this section is available online at <https://mcf.org.uk> or [please click here to contact the team for further assistance](#)

The Charity is the recipient of Gift Aid tax relief on Relief Chest donations and it is, therefore, identified as such on the declaration.

For Gift Aid tax relief to be claimed, donations must be made using the donation forms supplied by the team. No other forms will be accepted. As the recipient the Charity must hold all Gift Aid declaration forms for future HMRC audit inspections to confirm the validity of any tax reclaims that it has made.

To meet the HMRC requirements

- ✓ the gift aid declaration must be completed by the donors themselves
- ✓ name, address and other information must have been completed in the same handwriting using the same coloured ink pen)

Once the individual has made a valid Gift Aid declaration using a donation form, the Relief Chest will submit a tax reclaim to HMRC. Once the HMRC has made the tax repayments, the Relief Chest will credit the relevant amount to the appropriate Relief Chest against the individual's name.

If the Gift Aid declaration was not made at the time of the donation, it can be forwarded within four years in order to reclaim tax. A donor who ceases to pay sufficient UK tax to cover the amount of tax that could be reclaimed by the Charity on their donation, should **immediately** inform the team so that the Charity's reclaim for tax can be stopped.

The holders should seek to maximise the value of funds in their Relief Chests through the use of Gift Aid tax relief. Additional information on Gift Aid tax relief can be found by viewing the following website. <https://www.gov.uk/donating-to-charity/gift-aid>

Raffle collections cannot be gift aided.

e) **Interest**

All interest is earned gross of tax and is credited to each Relief Chest monthly in proportion to the balances held. The amount of interest allocated to each chest in any month is based on the balance that has been kept during the whole of the previous calendar month. The interest "compounds" monthly.

6. **Payments from Relief Chests**

a) **Eligible payments**

To request a donation be made from a chest to a charity, a resolution must be approved in open Lodge (or the equivalent) subject to their by-laws and practices prior notice of motion is not essential.



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There is no upper or lower limits on the amount that may be paid out of a chest, but a request for a donation will not be met if the amount exceeds the funds held in the chest.

Donations from Relief Chests must be made for charitable purposes only. Payments from the chests can be made to;

- A registered charity
- Any charity registered with Charity Commission <https://register-of-charities.charitycommission.gov.uk/> which operates in England and Wales. These include donations to masonic or non-masonic charities whose work is local, national or international.
- Exempt charity
An exempt charity is an institution established in [England and Wales](#) for [charitable purposes](#) which is exempt from registration with, and oversight by, the [Charity Commission for England and Wales](#). Exempt charities are largely institutions of further and higher education, universities, [industrial and provident societies](#), [friendly societies](#), or national museums, that were established by Act of Parliament or by Royal Charter. These organisations are specified in Schedule 3 to the [Charities Act 2011](#).
- A registered CASC - Community Amateur Sports Club
- for the relief of individuals in distress
- to another chest e.g. Festival or an Appeal relief chest

Charities not registered on the Register of Charities should be asked to provide their charity tax reference number issued by HMRC.

In relation to donations to organisations situated outside England and Wales that are not registered on the Register of Charities or recognised by HMRC as charities for tax purposes, please speak to the Relief Chest team for further information.

If you are unsure as to whether or not the cause/organisation you wish to make a donation to be classed as charitable, please contact the Relief Chest team to confirm.

The representatives may be asked to provide evidence to confirm that an organisation is a charity if there is doubt as to its eligibility to receive a donation.

b) Ineligible payments

Donations cannot be made under any circumstances from a Relief Chest to that holder's own general fund, Almoner's fund, benevolent fund or association, or to any similar fund, even if that fund is a registered charity.



Information referenced in this section is available online at <https://mcf.org.uk> or [please click here to contact the team for further assistance](#)

Relief Chests must not be used to cover the annual contributions payable under Rule 271 of the Book of Constitutions or to pay similar contributions required under Provincial or Metropolitan Grand Lodge by-laws.

Christmas gifts to widows and wreaths for funerals are not regarded as charitable and cannot be made from a Relief Chest.

c) Donations from a Relief Chest to Festival or appeal Chests

Funds held in a Lodge Relief Chest can be transferred to a Festival or an appeal Relief Chest. The transfers can be allocated to individuals for Festival honorific purposes by completing a transfer allocation form. Lodges are encouraged to make donations to any active Festival chest rather than accumulating funds in their own Relief Chest until a Festival is formally launched. This is to avoid chests being marked as dormant and to reduce dormant chest procedure.

Following approval, the representative must complete a payment request either by:

d) E-voucher

The nominated representative can register to use the service online <https://mcf.org.uk/support-our-work/relief-chest/e-voucher-service/> this will enable them to:

- Register, Log in and submit a payment request/s for a registered charity or for another Relief chest (Festivals/Appeals).
- Automatically submit to a second signatory for approval for example, Master, Treasurer, Secretary, Almoner or Charity Steward etc.

e) Green paper voucher

This may only be obtained from the team and issued to the nominated representative. The vouchers must be signed by the representative and countersigned/approved either by the Master, Treasurer, and Secretary, Almoner or Charity Steward or other authorised officer.

- **Green form** for any registered charities, exempt charities, CASC (Community Amateur Sports Club) or to support a festival/ appeal chest.

Once the team has received the completed payment requests, the payments will be made.



Information referenced in this section is available online at <https://mcf.org.uk> or [please click here to contact the team for further assistance](#)

The payments to charities are made by BACS if the system holds the charities bank details or a cheque. The team will send the payment directly to the recipient charity, together with a covering letter/remittance advice identifying the source of the donation. The Relief Chest requests that the recipient charity acknowledges the representative of the chest from which the donation was made.

If the holder requires a cheque for presentation, please contact the Relief Chest team.

Payments from a Provincial festival relief chest to the MCF general fund will not require a voucher. The festival payments will be automatically transferred to the MCF general fund.

f) **Donations from a Relief Chest for an individual**

Funds in a Relief Chest may be used to assist an individual in distress. There is no requirement that the individual receiving the assistance is a mason or a masonic dependent and there is no limit to the number of donations they may receive. Each donation may be of any amount, subject to the funds available in the chest.

Lodge/chapter headed paper We have made due enquiry and we are satisfied that: Full Name House No Street Town County POST CODE is suffering from distress and is in need. The [insert RELIEF CHEST HOLDER'S NAME] requests that the sum of [insert AMOUNT IN WORDS] pounds £..... be donated for the relief of [insert NAME] distress and be debited against Relief Chest No. [insert RELIEF CHEST NUMBER] [Signed] / NAME (Relief Chest Representative) [Signed] / NAME (Master / Secretary / Treasurer / Almoner / Charity Steward)
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Relief of Distress request sample letter:

The letter must be signed by the representative and either the Master, Treasurer, Secretary, Almoner or Charity Steward or other authorised officer.

A request for a relief of distress payment is processed immediately by the team. The payment is made by either BACS into the Lodge's (or equivalent) bank account (the representative is required to supply this information), or by a cheque made payable to the holder which is sent immediately. The holder is responsible for disbursing the money to the individual. To enable The Relief Chest to satisfy that each donation is charitable to the HRMC, a "Certificate of Disbursement" is issued by the Relief Chest. The certificate should be completed by the Treasurer and returned to the team following payment of the money to the individual.



g) Emergency donations

In cases of extreme distress where money is required urgently, an emergency donation may be made from a Relief Chest. An emergency donation for the relief of distress of an individual does not require a resolution to be passed in open Lodge (or equivalent) approving the payment, there is no minimum amount but it is limited to a maximum of £500.

Authorisation for an emergency donation may be given by the representative and either the Master, Treasurer, Secretary, Almoner, Charity Steward or any other authorised officer.

h) Non-emergency donations

Non-emergency donations for the relief of distress, where money is not required urgently, must be approved by a resolution passed in open Lodge (or equivalent). Subject to their by-laws and practices. Prior notice of motion is not necessarily required. Donations approved in this way may be for any amount, subject to the funds available in the chest.

Vouchers must **not** be used to request donations for the relief of distress of individuals. Instead, a letter in the following format printed on the holder's headed paper, should be sent to the team providing details of the individual and the assurance of the holder that appropriate due diligence has been undertaken to confirm the need for relief:

7. Statements and correspondence

- 7.1 All correspondence (receipts, thank you letters, and confirmations) from the team will be sent to the nominated representative by email.
- 7.2 The representative will receive detailed statements (monthly, quarterly, bi-annually or annually depending on the frequency selected by the holder) covering the Relief Chest's activity.
- 7.3 When opening a chest, the holder must designate a twelve-month period for annual reporting. Each twelve-month period must end on the last day of a calendar month.
- 7.4 Upon request, the team will supply an interim or up to date statement to the representative. Interim statements provide the same information as regular statements.
- 7.5 Upon request from the representative, a Subscribers' List can also be provided, which will show a list of regular donors who makes donations by direct debits to the chest.



8. Closing a Relief Chest

- 8.1 If a holder wishes to **close** a Relief Chest, all the remaining funds held must be distributed to registered charities. When a chest is to be closed, please ensure that:
- A Relief Chest closure form is submitted
 - Request the team to cancel all active Direct Debits
 - Forward requests to distribute the final balance in the Relief Chest to registered charities by submitting payment vouchers
- 8.2 Please note that a Relief Chest cannot be closed immediately if there are any tax reclaims outstanding to be allocated or interest due.
- 8.3 When the existence of a Chest holder's Lodge, Chapter, etc. is about to cease (either because it is about to surrender its warrant to amalgamate with another Lodge or Chapter or because it will no longer exist at all), it should resolve at a meeting prior to its dissolution to dispose of the balance in its Chest by making suitable charitable donations. The Relief Chest Representative should ensure that the relevant vouchers are submitted to the Relief Chest office before the date of closure, at which point the Relief Chest will be closed. If no such request is received by the Relief Chest office, any balance left in the Chest of a Lodge, Chapter etc. that is known to have been dissolved, will be distributed to
- a) The local MCF Festival Chest (provided the province has an active Festival Chest)
 - or
 - b) The general funds of the Masonic Charitable Foundation (MCF)
- and the Chest will be closed.

9. Dormant Chests

- 9.1 To meet the expectations of HMRC that a Relief Chest has been opened for collecting and donating money to charity, it is important that the chest can demonstrate activity.
- 9.2 A dormant chest is one from which no payment has been made for a period of two years. If there have been no charitable donations made during this time, an investigation by the team will commence to confirm that the chest is being maintained in accordance with the rules and protocols.
- 9.3 If a chest is becoming inactive imminently the team will write to the representative to:
- Warn him that no charitable payments have been made out of the chest in the preceding 18 months.
 - Request a donation should be made to reactivate the chest.
 - Seek an acceptable explanation for the inactivity.
 - Establish if the holder seeks to reactivate.



- Find out if the holder wishes to close the chest.
- Inform him that the chest may be closed if it is not re-activated or if a satisfactory explanation for the inactivity is not given.

Lodges are encouraged to make donations to any active Festival chest rather than accumulating funds in their own Relief Chest until a Festival is formally launched. This is to avoid chests being marked as dormant and to reduce dormant chest procedure.

- 9.4 If the representative does not reply within three months of the date of the letter, the team will write to the Secretary of the Lodge (or the equivalent) requesting the information shown above within six months from the date of the letter.
- 9.5 In the absence of an acceptable explanation for the inactivity or if a chest is not reactivated or closed during the six- month period of notice, the chest will be deemed to be dormant and a letter will be sent to the Secretary of the Lodge (or other authorised officer) notifying him of that fact.
- 9.6 If no payment request is received within 21 working days of the date of the final letter, a donation from the dormant chest will be made automatically to
- a) The local MCF Festival Chest (provided the province has an active Festival Chest) or
 - b) The general funds of the Masonic Charitable Foundation (MCF)

to reactivate the dormant Chest. The donation amount will range from a minimum of £50 to a maximum of £1,000.00 depending on the balance held in the dormant chest at the time. When the existence of a Lodge, Chapter or other Masonic Unit is about to cease, it should resolve at a meeting prior to its dissolution to dispose of the balance in its chest by making suitable charitable donations.

10. Records Management

- 10.1 To comply with relevant records management legislations such as
- HMRC – for gift aid declarations
 - Charity Commission – payments from chests to charities
 - Information Commissioner Officer – Data Protection/GDPR - retention of personal records (donor details)
 - Companies House
- 10.2 The Relief Chest records are maintained for a period of six years from the date of the donation or the last transaction on a direct debit for a regular donation.



11. Privacy Policy

- 11.1 The Relief Chest is committed to ensuring the privacy of personal information we collect from our donors and chest representatives. The privacy notice sets out the protection of personal and other information provided to them in paper and electronic formats and can be found on the MCF website <https://mcf.org.uk/policies/privacy/relief-chest-privacy-policy/>

12. Administration costs

- 12.1 No direct charge will be made to holders for any of the services and administration of the Relief Chest, including the provision of donation forms and statements, but exceptional costs, such as legal fees incurred in dealing with legacies made for the benefit of a chest may be deducted from the chest in question.
- 12.2 No deductions will be made from any of the interest earned on the investments of the chest funds or from any Gift Aid tax relief repayments.

13. Responsibilities and rights of the Masonic Charitable Foundation (MCF)

- 13.1 The MCF on behalf of the Relief Chest is responsible for meeting the requirements of HMRC, which does not permit Relief Chests to be used as a banking operation. The Relief Chest is intended to be an efficient vehicle from which donations to charitable causes should be made regularly. It must not be used for the purpose of accumulating or hoarding funds purely for investment purposes.
- 13.2 As a charity, the MCF must comply with the legal requirements of charity law, the MCF reserves the right to recover from the donor any sums of money that The Relief Chest is required to repay to HMRC for any reason, including infringements of the benefit rules that apply to Gift Aid. Information on the benefit rules is available from HMRC. The trustee of The MCF shall be entitled to revise the rules and guidelines of the Relief Chest without any prior notification. The trustees of The MCF reserve the right to modify and terminate any service. Issues of dispute or difference between the Relief Chest and the holder or its representative about the interpretation and operation of the Relief Chest, which cannot be settled between the parties, shall be referred to the MCF Trustee Board (Board).
- 11.3 The decision of the Board shall be communicated in writing to the holder's secretary or equivalent officer.

Approved by: Charles Angus, Group Finance Director



Dated: 15 March 2023.....

Signed:.....