Help and Advice

The United Reformed Church

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Bulletin 44:   VAT UPDATE

The Help & Advice Group was set up by Synod in 2009, to support local churches in being informed and effective in their life and mission. The group was disbanded in 2014, as part of a simplification of Synod committees, and its work continues through the Trust Officer, under the oversight of the Trust. We are willing to try to provide specific advice on particular topics. Please get in touch if you have questions or suggestions.

This article is part of a series giving an overview of particular subjects on interest for local churches. We also circulate general updates from time to time. Bulletins will also be posted on the members' area of the website with direct links to other websites.

Where readers are directed to web-based resources, the Synod Office is willing to respond to reasonable requests for printed out information for readers without web access, although they may find it more satisfactory to follow up their interest through their local library's web access.

Friends Schemes

In August 2014, a tribunal ruled that HMRC was correct in ruling that VAT was chargeable on benefits provided to "friends". Churches and mission projects should be aware that if they run friends schemes which provide preferential or exclusive benefits to friends, VAT should be charged on all income from that scheme.

However, readers will be pleased to note that organisations need only register for VAT when their taxable income exceeds the registration threshold (currently £81,000).

VAT Guide

HMRC has updated its guidance for charities, which can be found at: www.gov.uk/government/publications/vat-notice-7011-charities/vat-notice-7011-charities.

This covers all issues relating to VAT, including registration, "business" activities, reliefs and exemptions.

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