

A – Z VAT Guidance

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# Introduction

# Purpose of this guide

This guide is intended to give University staff a brief overview of Value Added Tax (VAT) and how it applies to the University, followed by a more in depth look at the VAT treatment of specific transactions.

The University is required to submit quarterly VAT returns to HM Revenue and Customs (HMRC). The completion of these returns is the responsibility of the Tax Team. Members of staff across the University however are responsible for ensuring that transactions are recorded using the correct tax codes to ensure VAT is correctly accounted for on income and expenditure.

Since its introduction, VAT has become more complex with each successive Finance Act. The University is subject to inspections and queries from HMRC VAT inspectors. There is a strict penalty system in place to penalise businesses which make mistakes, irrespective of whether or not the error was intentional. The cost of penalties and interest can be significant. It is therefore vital that members of staff are mindful of the contents of these notes and of the need to discuss any VAT queries with the Tax Team as they arise.

This guide is intended for reference purposes. If you need any further information or guidance, please contact vatstaff@aber.ac.uk

# What is VAT and when is it charged

VAT is a tax added to most products and services sold by VAT-registered businesses. When deciding whether something attracts VAT we must identify if the transaction is within the scope of VAT and if so, which rate of VAT should be applied to it.

A transaction is within the scope of UK VAT if the following conditions are met:

* It is a supply of goods or services;
* In exchange for some sort of consideration (normally monetary), and
* It takes place in the UK, and
* It is made by a taxable person (a taxable person is an individual, firm, company etc), and
* It is undertaken in the course or furtherance of business.

There are three main rates of VAT in the UK:

* Standard rate 20%
* Reduced rate 5%
* Zero rate 0%

Certain supplies are exempt from VAT. This means that no VAT is chargeable.

There are differences between zero rated and exempt supplies even though both categories result in no VAT being applied to the supply. Zero rating applies a VAT rate of 0% and this constitutes a taxable supply. As a result, input VAT in relation to directly related expenditure can be reclaimed. Exempt supplies, however, are not taxable supplies and VAT incurred on related expenditure cannot be recovered.

The University is registered for VAT and is required to account for VAT on the income it receives for supplies it makes.

The primary purpose of the University is providing education, which is an exempt supply. The University pays a large amount of VAT that is non-recoverable. The University cannot reclaim VAT on most of its activities due to their exempt nature e.g., supply of education. There are exceptions to this, areas such as taxable research and trading activities such as the Arts Centre etc. The University can recover a small percentage of the VAT incurred on its overheads through its VAT Partial Exemption Method,

The application of the VAT laws to the University is particularly complex due to the wide range of activities that we undertake. Further details of the VAT liability of activities are provided in this guide. For any further queries please contact the VAT team at vatstaff@aber.ac.uk who will either resolve the query or liaise directly with the University’s advisors or HMRC as appropriate.

# The University’s status & VAT

The University is registered for VAT under VAT registration GB 450 7372 00

**Eligible body status**

The University is an eligible body for VAT purposes under Note 1 (b) to Group 6 (Education) of the VAT Act 1994. As a result of its eligible status, supplies of education by the University are exempt from VAT.

By virtue of the fact that the University is an exempt charity, regulated by the Office for Students, it is an Eligible Body in respect of some VAT reliefs, and it has charitable status for VAT purposes. Whilst there is no general exemption for Charities from the VAT system it is entitled to receive certain supplies exclusive of, or at a lower rate of VAT, e.g., advertising services, certain construction services, supplies of medical and scientific goods, and fuel and power, subject to meeting certain conditions.

# Commonly used terms

|  |  |
| --- | --- |
| **Standard rated supply** | A supply of goods / services on which VAT is charged at the standard rate of 20%. E.g., a consultancy project and the associated consultancy fee. |
| **Reduced / Lower rated supply** | A lower rate of 5% is chargeable on fuel and power supplied for ‘qualifying use’, which is broadly defined as domestic (student residences) or non‐business use. |
| **Zero rated supply** | A supply of goods / services on which VAT is charged at 0%. E.g., the sale of a book.  |
| **Exempt supply** | A supply of goods / services on which VAT is not charged. E.g., a supply of education.  |
| **Outside the scope of VAT** | VAT is not charged, and the financial transaction is excluded from the sales or purchases boxes of a VAT return. Pure grants are outside the scope of VAT as are inter‐faculty recharges |
| **Net figure** | The VAT exclusive purchase or sales price |
| **Gross figure** | The VAT inclusive purchase or sale price |
| **VAT Fraction (1/6th) for standard rated supplies** | This is a handy way of computing the standard rated VAT at 20%, contained within a gross sum. E.g., a gross receipt of £120.00 contains £120.00 x (1/6) = £20.00 of VAT. |
| **Business / Non-Business income** | For VAT purposes University income is divided into either business or non-business income. University income is classified as non-business if the University does not make a supply in return for the income. E.g., grants are often non-business income. |

# Tax codes on ABW

|  |  |
| --- | --- |
| PS | Purchases Standard Rate (20%) |
| PL | Purchases Lower Rate (5%) |
| PZ | Purchases Zero Rated (0%) |
| PE | Purchases Exempt |
| PA | Purchases Outside of Scope |
| PB | Purchasing Overseas Goods (if standard rated if was purchased in UK) |
| PC | Purchasing Overseas Services (if standard rated if was purchased in UK) |
| SS | Sales Standard Rate (20%) |
| SL | Sales Lower Rate (5%) |
| SZ | Sales Zero Rated (0%) |
| SE | Sales Exempt |
| SA | Sales Outside of Scope |

# Contract terms and wording of invoices

It is essential to have a VAT clause placed in all income generating contracts in order to reserve the right to charge VAT, where applicable, on top of agreed sums. An appropriate statement is: - “Although amounts quoted in this contract are exclusive of VAT, VAT will be added at the standard rate where applicable”.

 It is essential to discuss the VAT treatment of the contract with the customer when discussing the contract terms. If you are unsure whether VAT is applicable or not, please contact the Tax Team.

 Invoice requisitions should be clear as to the type of service provided. The use of words such as “consultancy” and “sponsorship” are indicative of non-educational taxable services, whilst the words “grant” and “claim” indicate income that is outside the scope of VAT, and the word “course” indicates exempt educational activity.

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# Accommodation

The supply of bedded accommodation is normally standard rated. However, supplies of accommodation to the University’s own students or candidates are VAT exempt.

In addition, the University’s supplies of accommodation to students of other eligible bodies, such as other UK Universities, overseas universities (provided they meet certain conditions), and commercial providers of tuition in English as a Foreign Language (EFL) where the student is attending an educational course supplied by any *eligible* body will also be exempt.

If the University provides accommodation to students, where the customer is an eligible body that does not charge the students for the supply of education, the charges would be subject to VAT. If the University’s customer is instead a student or pupil of another eligible body the charges would be exempt from VAT.

Commercial providers of education (excluding EFL) are not treated as eligible bodies, and therefore supplies of accommodation to students of such entities will currently be treated as standard rated.

When bedded accommodation is supplied to persons, other than those described above, the University is acting in a similar capacity to a hotel and the supply is standard rated. This includes accommodation provided to university staff, visiting lecturers and the general public. VAT should be charged in this case. The exception to this would be where the person lets the accommodation for a continuous period of more than 28 days in which case, VAT will only be due on the first 28 days and then the accommodation element will be treated as exempt from day 29 onwards. VAT will remain due on any element of the charge related to other services e.g., meals or drinks.

The University can treat income from the provision of accommodation and facilities for an educational conference as exempt when the customer is an “eligible body” (i.e., an educational institution, a charity, a local authority, a government department, or an EFL school). To support this, the University must obtain a certificate signed by the client confirming that the exemption applies. To qualify, the goods and services must be used directly by persons receiving a supply of education from the eligible body and the client must charge the delegates for attendance at the conference. As explained above, VAT is due on any accommodation and other facilities supplied to staff, lecturers or guest presenters of the external organisation.

For the letting of rooms, without bedded accommodation, please refer to [Lettings of rooms (excluding conference facilities)](#_Lettings_of_rooms)

# Administration fees

In most circumstances administration fees charged by the University are subject to VAT as they are deemed to be a service which is not closely related to supplies of education. HMRC ref Notice 701/30 paragraph 8.3

# Admission charges

Admission charges to theatre productions, sporting events, exhibitions, concerts etc. are normally standard rated, both to the University’s own students and to other persons. The sale of a programme, in place of a ticket, does not avoid the need to account for VAT.

Charges to all students of the University who participate in a sporting event can be treated as exempt whether or not they are members of the Sports Centre. There is also an exemption for the provision to members of the Sports Centre, of the right to participate in a sporting event. However, VAT is payable on admission fees charged to non-members and students alike who are spectators.

If the income relates to a charge for admission to a theatrical production undertaken by the University’s students, then the charge can be treated as exempt in line with the case Brockenhurst College [2013] UKFTT 153 (TC), subject to certain conditions, listed below:

* The education must be being provided by way of business
* The activity must be student-led and ‘essential’ to their education.
* The activity must not have the purpose of generating additional income for the University in direct competition with commercial enterprises. This will be the case where services are not offered to the general public through advertising, and the costs of providing the supplies exceeds any income generated from the activity

# Advertising

Due to its charitable status the University can benefit from zero rating when purchasing advertising services. To qualify for zero rating the advert must be on a third parties time and space and aimed at the general public.

 Adverts provided to specific individuals in the form of delivery or post, adverts displayed on the charity’s own website and advertising services supplied to a trading subsidiary of a charity are specifically excluded from the VAT relief.

There is no longer any requirement to show the logo of the University on the advertisement to obtain this zero‐rating status. Advertisements can be in all conventional advertising media such as television, billboards, newspapers, and printed publications and can include staff recruitment. However, certain items such as commemorative items (pens, mugs etc), adults clothing, exhibition stands and space and adverts on the University’s own space do not qualify for the relief. For adverts that qualify, a zero‐rating certificate needs to be sent to the suppliers at the time of ordering. This form can be found on the University website.

**Exclusions from zero rate relief**The following are not eligible for zero rate relief:

* Marketing and advertising addressed to selected individuals e.g., direct mail and telesales
* Anything on University’s own Internet website
* Advertisement on University’s own greeting cards
* Commemorative items whether or not they bear the University’s logo, for example, pens and adult clothing
* Exhibition stands and space
* Banners on the University premises
* Social media advertising
* Services relating to search engine optimisation
* Services related to listing the University in the results of a search engine (‘natural hits’)

**Advertising on third party platforms**HMRC has recently confirmed their view on advertising presented via digital platforms in response to dialogue with the Charity Tax Group. HMRC Notice 701/58 gives the full list which include:-

Standard rated:

* email advertisement
* natural hits
* social media and subscription website accounts

Zero rated, subject to all other conditions being met:

* audience targeting
* behavioural targeting
* channel targeting
* content targeting
* daypart targeting
* demographic targeting
* device targeting
* direct placements on third party websites
* location targeting
* lookalike targeting
* pay-per click advertising
* retargeting

HMRC has written to some charities advertising on social media sites such as Facebook, LinkedIn and Twitter stating that they should be paying the standard rate of VAT for these services as such advertisements are often targeted at selected individuals and groups.

**Design or production of advertising**
 Provided that it is intended that the advertisement will be placed in purchased or donated advertising time or space, the supply of design or production of an advert will qualify for relief. This includes the design of a poster or the filming or recording of an advertisement to be broadcast.

**Design or production of prospectus**
The zero-rating for ‘charity advertising’ will not apply to the production of a prospectus as the services received by the University will not be placed on someone else’s time or space. However, the production (i.e., the printing) of the prospectus should qualify for zero-rating under the relief for certain types of printed matter. To the extent that the supplier of the prospectus also provides the design services, the whole of the supplier’s charge should qualify for zero-rating. However, the separate supply of design services by a company not responsible for the printing will not qualify for zero-rating as the supply is not one of qualifying printed matter.

**Direct marketing**
Many charities use direct marketing to publicise their good causes and seek donations from supporters. All supplies of production and postage of printed materials are subject to VAT at the standard rate of 20%.

**Supply of advertising by the University**
If the University charges a customer for the placing of an advertisement in a document published by the University, or in any broadcast made by the University, the fee will usually be subject to VAT at the standard rate of 20%. However, if the customer is a charity the fee will be zero-rated. If the order placed by the customer includes a charity registration number, then no further evidence of eligibility will be required, but if any doubt exists that the customer is a charity, a signed statement to this effect should be obtained for zero-rating to be applied. Aberystwyth Students’ Union is a registered charity and as such any income from advertisements provided by the University on behalf of the Students Union will be subject to zero rate VAT.

For further information please refer to[**HMRC VAT Notice 701/58**](https://www.gov.uk/guidance/vat-when-you-supply-services-or-goods-to-charities-notice-70158#advertising-media)

# Alcohol

Sale of alcohol from University bars is always standard rated, no matter who the drink is sold to.

# Barter transactions or trade-ins

If you supply services or goods (new or second-hand) and receive other goods or services in exchange you must account for VAT on the cash value that would have been received if you had sold them entirely for cash.

# Bench fees

An area that often causes confusion is bench fees. These are payments made to the University for use of the facilities which may include the use of consumables within a lab.

If you are making a supply of consumables only this is a supply of goods which will be exempt if supplied to a student or the University of a student, and standard rated if supplied to any other body.

Otherwise supplies of bench fees to individuals will be exempt if the individual is a student as a closely related supply of education or Vatable at the standard rate if the individual is a visiting scholar, irrespective of where they 'belong'.

If the bench fee is charged to a business in the UK, the charge will be taxable at the standard rate of VAT. However, if the business is outside the UK, including other Universities, the charge will be zero-rated.

# Books and publications

Books, brochures, pamphlets, and leaflets, including e-publications, are subject to zero rate VAT.

Database services continue to be subject to standard rate VAT.

The following list of items may be zero rated, under Schedule 8, Group 3 of the VAT Act 1994:

*“1. Books, booklets, brochures, pamphlets, and leaflets.
2. Newspapers, journals, and periodicals.
3. Children's picture books and painting books.
4. Music (printed, duplicated or manuscript).
5. Maps, charts, and topographical plans.
6. Covers, cases and other articles supplied with items 1 to 5 and not separately accounted for.*

*Note: Items 1 to 6 -
(a) do not include plans or drawings for industrial, architectural, engineering, commercial or similar purposes; but
(b) Include the supply of the services described in paragraph 1(1) of Schedule 4 in respect of goods comprised in the items”*

The above are restricted to goods produced on paper and similar materials such as card, noting that e-publications are eligible too. Most items qualifying for the zero-rating will be products of the printing industry (including items printed in Braille), but goods which are photocopied, typed or hand-written will, in some cases, also qualify.

Goods containing text in other formats such as audio or video cassettes or CD Rom are standard-rated. This includes the storage and distribution of text by fax, e-mail, microfiche, or any similar process. Transcripts or printouts made of such information are zero-rated if they are supplied in the form of books, booklets, brochures, pamphlets, or leaflets.

The supply of text by electronic transmission, via the internet, or similar means is also standard-rated. Such supplies are of services, not of goods, and different VAT rules will apply to them.

A list of some common items of printed matter and their VAT liability can be found in Appendix 1.

Further information can be found [here](https://www.gov.uk/guidance/zero-rating-books-and-printed-matter-for-vat-notice-70110)

# Buildings

The construction of buildings intended to be used by a charity solely for non-business purposes or as a village hall or similar, can be zero-rated subject to certain criteria being met.

In this respect education is regarded for VAT purposes as a business activity and hence this potential relief is limited to buildings which are primarily to be utilised for publicly funded research. Please see University website for zero rating certificate to be completed and sent to the supplier.

Buildings constructed for residential purposes may also qualify for relief. Zero-rating may also be possible for parts of buildings specifically adapted for use/access by the disabled. This is a complex area and for further details and consideration of potential for claiming relief on a particular project please contact the Finance Office. See HMRC VAT Notice 708 for full details.

# Building work and medical and veterinary exemption

The exemption will not be available for the actual bricks and mortar of any build but could be applicable to the fitting out of any space created.

Equipment that meets the definition of medical, scientific, computer, video, sterilising or refrigeration as described in VAT notice 710/6 may be eligible.   Note that the equipment should mainly be used for

* Medical or veterinary research
* Medical or veterinary training
* Medical or veterinary diagnosis or treatment

In this context mainly means real, substantial or continuing.

The equipment purchased should be designed as either scientific or for use in a laboratory, so for example a ventilation unit would not normally be eligible but if it were specially designed for lab use then it may.

**Installation of eligible goods**

If the normal selling price of relevant goods includes an amount for installation, fixing or connection to mains services and/or testing equipment on site, zero rating applies to the whole selling price - including that element which relates to installation or testing.

Where building works, such as removal of walls or reinforcing floors, are necessary in order to install large items of equipment, these works are standard rated, even when carried out by the supplier of the equipment.

# Car hire

If a car is hired for more than 10 days and the costs are charged to a project which is set up as fully recoverable for VAT purposes only 50% of the VAT can be reclaimed.

# Car parking

Charges for car parking to students are treated as exempt from VAT following the issue of a letter from HMRC to Higher Education Institutions advising them that parking for students is closely related to education.

Money collected from staff or visitors in respect of car parking charges is subject to standard rate VAT.

Clamping fines collected by the University are taxable at the standard rate, regardless of whether they are collected from students, staff or visitors.

# Catering & hospitality

The basic rule is that all supplies of catering and hospitality are taxable at the standard rate if they are not closely related to the supply of education.

Meals supplied as part of a package of services connected with educational events, extending over a short period of time, such as a workshop or conference, are regarded as being closely related to a supply of education. However, where charges for catering or other supplies are made to students or student societies for events which are not connected with their course then standard rate VAT is likely to apply.

# Conferences

If organised solely by Aberystwyth University, the supplies of lectures, talks, etc. are classed as supplies of education and therefore exempt for VAT purposes.

VAT on expenditure associated with the conference will not be recoverable.

Supplies of accommodation, catering and other facilities to those attending the conference are classed as incidental to the supply of education and therefore exempt for VAT purposes. The relief does not extend to supplies of accommodation and catering to spouses or guests of the delegates or others who are not attending the conference as a student e.g., course organisers or staff looking after young students.

**Conferences organised jointly between Aberystwyth University and another body**A jointly organised conference should be treated the same way as one provided solely by the University and will be exempt provided that: its subject matter falls into the general pattern of higher education and research, or the administration of education; and its contents and administrative arrangements are supplied and controlled primarily by the University; and its financial transactions are accounted for in the records of the University.

**Conference facilities**Where the University is letting out its conference facilities to an external party, then providing the external party is an ‘eligible body’ (refer to HMRC Notice 701/30) and is using the facilities for educational purposes, then the supply will be exempt for VAT purposes. A certificate should be sent to the external party for them to sign to confirm they meet these conditions.

Where the external party is not an ‘eligible body’, room hire would be exempt from VAT, provided that no additional facilities, such as audio visual or projection equipment, are supplied. However, if a room and additional facilities are supplied the entire charge would be subject to VAT. Charges for room hire will also be subject to VAT where the room is used for the supply of catering (e.g., at a wedding reception or for a dinner). Charges for room hire at buildings which the University has opted to tax will also be subject to VAT. These options to tax do not affect the VAT exemption for room hire when made to an eligible body for use by its delegates.

# Consultancy

All forms of consultancy by the University are taxable at the standard rate, if the supply is delivered in the United Kingdom. The provision of business efficiency advice, for a specific client, cannot be viewed as a supply of education and the normal consultancy rule applies. Particular care must be taken with ‘evaluation’ projects, which are generally determined to fall within the VAT definition of consultancy. The VAT liability of incidental expenses, such as travel expenses, will follow the main supply and thus are taxable, even if no VAT was paid on the purchase costs.

If the consultancy work is carried out for a client based outside the UK, use tax code SZ – 0%.

# Contractor construction certificates

Contractor ‘requests for payment’ and Architect certificates are not valid tax invoices, even though they may give notice of the amount of VAT payable. A tax invoice must be obtained and matched to the original certificate before payment can be made. An alternative to this is the operation of an authenticated VAT receipt procedure, by agreement between the supplier and the University. In this case the University prepares a receipt and forwards it with payment to the supplier, who authenticates it and returns it to the University.

# Deposits

An advance payment, or deposit, is a proportion of the total selling price that a customer pays before you supply them with goods or services. VAT must be accounted for when you issue a VAT invoice for the advance payment, or the date you receive the advance payment, whichever happens first. VAT does not need to be charged on refundable deposits providing the deposit is either refunded to the customer in full or kept by you to compensate for loss or damage.

Forfeit deposits is if you ask your customer for a deposit against goods or services you will supply at a future date. You must declare VAT on the deposit when you receive it, or when you issue a VAT invoice, whichever happens first. If you keep a deposit if your customer decides not to take up the goods or service, VAT remains due on the money you have received.

# Disability relief

As a charity, the University can benefit from VAT reliefs on the purchase of some goods and services for disabled people.

The relief includes the purchase and fitting of induction loops in buildings, fitting out of a disabled toilet and washrooms, constructing ramps, altering the level of a floor or widening a doorway or passageway. The construction of new doorways or passages cannot be zero rated.

The installation of a chair or stair lift that is designed to be used in connection with invalid wheelchairs will be zero-rated. To qualify for zero rating on the installation of a chair or stair lift, the lift must be exclusively for the use of disabled persons, and not available for general use. The installation or repair and maintenance of an ordinary vertical lift can only be zero-rated if it is installed in a residential building in which the University provides either temporary or permanent residence for disabled people and is installed for the purpose of facilitating their movement between the floors of that building.

Services of an architect, surveyor or any person acting as a consultant or in a supervisory capacity even when supplied in connection with a supply of qualifying building services are standard rated unless supplied as part of a single ‘design and build’ type arrangement.

Building materials supplied can be zero rated if supplied by the building contractor in connection with the above qualifying works. Such materials will not be zero rated if bought separately by the University.

Subsequent work of repair or maintenance in areas where eligible building work was previously carried out is not eligible for relief unless the work involves goods which are eligible for relief in their own right. For example, the retiling of a bathroom which was originally provided at zero rate is not eligible for relief but the subsequent repair or replacement of an eligible sanitary device, e.g., commode stools, commode chairs or devices with a warm air drier and bidet jet incorporated, frames or other devices to help sitting on or rising from a sanitary appliance, is eligible for relief.

Please contact the Finance Office to obtain a zero‐rating certificate to send to the supplier.

# Distance learning

This field requires each case to be judged on its merits. Income from the sale of distance learning material supplied by the University will be exempt from VAT unless there is no tutor involvement, and no marking of work submitted by the student or qualification achieved on the successful completion of the course. VAT would be due if this were not the case.

Where the University is supplying distance learning falling within the definition of electronically supplied services the VAT position is more complex. Please contact vatstaff@aber.ac.uk with details of the distance learning, if you need any specific guidance.

Where these services were supplied to customers from another country in the EU then there may be a One Stop Shop (OSS) registration obligation.

# Donations

VAT is not chargeable on pure donations of money, i.e. where there are no strings attached to the donation. The transaction is outside the scope of VAT (tax code SA - Sales Outside of Scope). But if the “donation” is made on the condition that the University provides something in return, then the University is making a supply of services to the donor (or sponsor),which will be liable to VAT under the normal rules. The mere acknowledgement of a genuine donation, e.g. naming a Chair after the donor does not attract VAT. Restaurant tips and gratuities, i.e. monies freely given, are not liable to VAT.

See **Sponsorship** for additional guidance.

# Education and ‘closely related’ goods/services

The supply of education by the University is exempt from VAT. Education in this context means a course, class or lesson of instruction or study, in any subject, regardless of where and when it takes place.

Education includes lectures, educational seminars, and conferences, together with sporting and recreational courses. It also includes the provision of distance teaching and associated material if the student is subject to assessment by the University.

**It is however important that a form of instruction is provided**, and this forms the predominant element of the supply otherwise HMRC could consider that the supply is one of attendance of an event which would ordinarily be subject to VAT at the standard rate. In this regard, it is important to distinguish between conferences provided by the University which have a significant educational content and thus should normally qualify for exemption as opposed to a more general discussion without instruction (which would not qualify for exemption under the education exemption).

Education does not include admission to events such as plays, concerts, sports meetings and exhibitions which would be subject to VAT at the standard rate.

Separate charges for registration, examination fees and examination services are part of the provision of education and are also VAT exempt.

**Closely related supplies**In addition to the supplies of education that the University makes, and which are exempt from VAT, ‘closely related’ supplies can be similarly exempt from VAT.

In general terms 'closely related' refers only to goods and services that are:

* For the direct use of the pupil, student or trainee, **and**
* Necessary for delivering the education to that person.

The following supplies may be considered 'closely related' if these conditions are met.

* Student Accommodation - The exemption covers all students who rent accommodation, unless they are no longer registered as students in which case they should be charged VAT. Accommodation supplied to pupils, students and trainees of other schools, colleges or universities that provide exempt education is also exempt.
* Catering & Hospitality - Catering and hospitality that is for the direct use of a student and is necessary for delivering education to that person is exempt from VAT. In practice, this means that student catering is exempt from VAT, but catering for staff and other non-students is subject to VAT at the standard rate.
* Field Trips - Trips organised by the University for students that are closely related to the courses that they are enrolled on are exempt from VAT. Other trips that are not related, for example sightseeing trips, are not closely related to education and are subject to VAT at the standard rate.
* Student Placements - Any charge to a business, made by the University for a student industrial/work placement, is subject to VAT at the standard rate. Payments made by the University to a placement provider that are made simply to fund a student’s salary, with no requirement for anything to be provided in return, are outside the scope of VAT.
* Graduation Services - Graduation services supplied to University students are exempt from VAT. However, graduation tickets supplied to friends and family are subject to VAT at the standard rate.

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Goods and services that are not closely related to supplies of education include the following:

• Supplies to staff (including tutors on summer schools) to other non-students
• Sales of goods from University shops and bars
• Sales of goods not needed for regular use in class
• Separately charged laundry and other personal services
• Sale of sports clothing
• Administration and management services
• Commission for allowing sales by outside organisations at an educational establishment
• Admission charges for example, admission to plays, concerts, dances, sporting venues and
 exhibitions.

Education delivered by the University to all customers is exempt from VAT irrespective of whether the customer is a registered student of the University. The exception to this would be where the University is providing educational input to its client who is then delivering courses or training to their client. Unless the University is subcontracted to carry out the entire service, the University will have to charge VAT on its services because in these circumstances the University would not be making a supply of education as it is defined above.

The VAT position of training or courses delivered by means of distance learning would need more careful consideration. Where the University is supplying distance learning falling within the definition of electronically supplied services the VAT position is more complex. Please contact vatstaff@aber.ac.uk with details of the distance learning, if you need any specific further information.

**Closely related goods and services sold direct to the pupils of other eligible bodies or sold to other eligible bodies:**

If the eligible body is an educational institution such as a school, college, or university, then it should not charge VAT on the closely related goods and services it provides direct to the pupils, students and trainees of other schools, colleges or universities that are also eligible bodies.

If the University provides closely related goods and services to an eligible body that supplies education in the course or furtherance of business, (rather than direct to its students) i.e., it charges a fee for its supplies of education, that supply is also exempt.

But if the eligible body does not charge a fee for its supplies of education (for example, a Local Authority maintained school), the University’s supply of closely related goods and services to it is not exempt.

# Electronic learning materials

Income from the sale of CDs, memory sticks and similar materials is subject to standard rate VAT unless these items are sold to students and are necessary for the delivery of education to that student. If they are necessary for the delivery of education to that student, income from sales of these items would be exempt from VAT because the supply would be closely related to a supply of education.

Sales of e-books and e journals (and other publications which in a hard copy form would be zero-rated) are zero-rated for VAT purposes as from 1 May 2020.

See ‘Distance learning’ for more information on distant learning materials.

# Eligible body

An ‘eligible body’ within the meaning of the 1994 VAT Act is broadly any organisation, which is precluded from distributing any profits, it makes.

The bodies that are eligible to exempt supplies of education, are defined by HMRC as follows:

***“4. Eligible body status***

***4.1 An eligible body***

*With effect from 1 August 2019, an eligible body is:*

* *a school, sixth form college, tertiary college or further education college or other centrally funded further education institution (defined as such under the Education Acts)*
* *a centrally funded higher education institution in Wales, Scotland and Northern Ireland (defined as such under the Education Acts)*
* *the governing body of one of these institutions:*
	+ *a local authority*
	+ *a government department or executive agency*
	+ *a non-profit making body that carries out duties of an essentially public nature similar to those carried out by a LA or government department*
	+ *health authority*
* *a non-profit making organisation that meets certain conditions*
* *a commercial provider of tuition in EFL, in which case special rules will apply*
* *a university*
* *a higher education provider registered in the approved (fee cap) category of the register maintained by the Office for Students from the date of inclusion in the register”*

# Energy saving materials

The supply and installation of energy-saving materials in residential accommodation can have the reduced rate 0% VAT applied where the goods are installed by a contractor. The 0% rate applies between 1st April 2022 – 31st March 2027, after which it is intended to revert to 5%. This includes the supply and installation of items such as draught strips, solar panels, central heating system controls, ground source heat pumps and wind turbines. This reduced rate of VAT is not available for purchases of such goods bought for installation by the University, it is only available where the goods are installed by a contractor.

# EORI number

The University’s EORI number (Economic Operator Registration and Identification number) is GB450737200000.

# Errors

If a supplier sends an invoice on which the VAT is incorrectly calculated, the VAT should not be altered, as the University cannot prove to HMRC that the supplier has also corrected it. The supplier should cancel the wrong invoice and issue a replacement.

Where the University has cause to reduce or cancel a sales invoice, which was subject to VAT, then a credit note shall be produced and sent to the customer, along with any replacement sales invoice.

# Examination services

Supplies and receipt of examination services by the University are VAT exempt. Supplies/receipt of examination services covers: the setting and marking of exams; setting educational or training standards; making assessments; and other services provided with a view to ensuring educational and training standards are maintained. Practical examples of this activity include National Vocational Qualification (NVQ)assessments, course accreditation services, course validation and student registration.

# Exhibition stands

HMRC regards the supply of specific stand space at an exhibition or conference as a supply of land and therefore exempt from VAT. This only applies where the service is restricted to the mere supply of space without any accompanying services.

Exhibition stand space is normally provided with accompanying services as a package. This is no longer seen as a supply of land with land related services. Standard rated VAT is therefore applied where the exhibition stand space is provided with accompanying services and reverse charge VAT will be applied on such stands when outside the UK. Accompanying services provided as part of a package includes such things as the design and erection of a temporary stand, security, power, telecommunications, hire of machinery or publicity material.

# Fundraising

Goods and services supplied in conjunction with one‐off fundraising events by charities are exempt, but the event must be promoted as a fundraising event. Up to 15 events of the same kind in the same location can be held each year without them becoming liable for VAT. However, if this threshold is exceeded, VAT will be payable on every event.

To qualify, the event must be for the primary purpose of fundraising. PR or awareness-raising events will not fall under the exemption.

The VAT exemption is mandatory for any event that fulfils all the conditions. An event which doesn’t meet one or more of the conditions won’t qualify for exemption as a fundraising event.

**What’s a fundraising event**It is an event clearly organised and promoted primarily to raise money for the benefit of the charity or qualifying body. Social events which incidentally make a profit don’t fall within the exemption. People attending or participating in the event must be aware of its primary fundraising purpose.

An ‘event’ is an incident with an outcome or a result. This means that activities of a semiregular or continuous nature, such as the frequent operation of a shop or bar, cannot therefore be an event. The relief isn’t intended to exempt normal trading activities from VAT.

**Events covered by the exemption**The following are examples of different kinds of events which may be held for fundraising purposes:

* ball, dinner dance, disco or barn dance
* performance - concert, stage production and any other event which has a paying audience
* showing of a film
* fete, fair or festival
* horticultural show
* exhibition: art, history or science
* bazaar, jumble sale, car boot sale, or good-as-new sale
* sporting participation (including spectators): sponsored walk or swim
* sporting performance
* game of skill, contest or a quiz
* participation in an endurance event
* fireworks display
* dinner, lunch or barbecue
* an auction of bought in goods - an auction of donated goods is zero rated

Where an event, such as a concert, is repeated on successive evenings each performance is a separate event and counts towards the maximum number of 15 allowed within the exemption. A single event which takes place at the same location for more than 1 day, such as a golf tournament, is accepted as 1 event.

**Frequent small scale events**The 15 event limit doesn’t apply to fundraising events where the gross takings from all similar events, such as coffee mornings, are no more than £1,000 per week. The £1,000 limit relates to the income of the events prior to any costs being deducted. Such activities carried out more than once or twice a week though are likely to be trading activities and not eligible for exemption

**Zero-rated supplies made at an exempt event**The sale of printed matter, such as programmes and commemorative brochures or any other goods which are eligible for the zero rate relief from VAT, may still be zero rated when supplied at a fundraising event.

This means that a VAT-registered charity or other qualifying body will be able to recover any input tax which is directly attributable to the taxable supply of those goods.

Examples of zero-rated items are:

* the sale of donated goods by a charity
* eligible food
* eligible printed matter
* young children’s clothing
* the supply of advertising time or space to a charity
* any other goods which qualify for zero rating

**Evidence to show the event was organised and promoted primarily to raise funds**There’s no single document that you must hold to demonstrate that the event was organised primarily to raise funds. Minutes of meetings, costing and similar documents should show that the main purpose for holding the event is to raise funds for charitable purposes or a qualifying body’s own benefit.

The event must be promoted in such a way that those attending the event are aware that its main purpose is to raise funds. Publicity material, tickets etc should therefore clearly refer to fundraising. For example

* fund-raising for
* in aid of
* help us to build
* help us to raise money for

Examples of publicity material, tickets etc, should be retained to support evidence of exemption.

**Jointly organised charity events**Only events organised exclusively by charities, their trading subsidiaries and qualifying bodies may be exempt fundraising events. The VAT exemption cannot be applied to fundraising events where one of the organisers is not a charity/qualifying body.

**Is an income for a non-qualifying event subject to VAT?**When a fundraising event doesn’t qualify for exemption, it’s open to a charity or any other body to set a basic minimum charge which will be standard rated, and to invite those attending the event to supplement this with a voluntary donation.

The extra contributions will be outside the scope of VAT if all the following conditions are met:

* it’s clearly stated on all publicity material, including tickets, that anyone paying only the minimum charge will be admitted without further payment
* the extra payment doesn’t give any particular benefit (for example, admission to a better position in the stadium or auditorium)
* the extent of further contributions is ultimately left to ticket holders to decide, even if the organiser indicates a desired level of donations
* for film or theatre performances, concerts, sporting fixtures etc, the minimum charge is not less than the usual price of the particular seats at a normal commercial event of the same type
* for dances, and similar functions, the minimum total sum upon which the organisers are liable to account for VAT is not less than their total costs incurred in arranging the event

If the publicity material for a fundraising event suggests that those paying a recommended extra amount are more likely to be admitted than those paying merely the basic ticket price, then the extra amount becomes part of the consideration for a supply of services, rather than a donation, and as such is subject to VAT at the standard rate.

Certain printed materials, when supplied to charities, can be zero-rated if it is clear that the purpose is to raise money for the charity, and they are linked to a particular appeal. This includes the preparation, production, and delivery of advertising materials, provided they have sufficient legend on them to indicate the fund-raising purposes.

There are also VAT reliefs available for individual elements of postal packages which can be zero-rated under the concession for appeal letters and envelopes, or because they are, for example, brochures or leaflets.

# Guest speakers

For the supply of education to be exempt it must be provided by an eligible body. Guest lecturers will normally charge standard rate VAT, if they are registered for VAT in the UK, if they are not an eligible body. See ‘Eligible body’ above.

# Grant income

Grant income is outside the scope of VAT. However, income will not qualify as outside the scope of VAT if the funding is conditional on a service being provided in return for the monies. Some benefits the grantor receives are accepted as being incidental to the supply of the grant, e.g., the provision of reports and accounts to the funder for stewardship purposes, demonstrating that the grant has been applied to its intended use. Additional benefits for the donor would indicate that there may a taxable supply. Please contact the Finance Office if you need any clarification.

# Honoraria received

The VAT treatment of income from honoraria will depend on the nature of the work performed in return for the honoraria. If the person has provided advisory or consultancy support, then this income would be subject to VAT. If, however, the work has been to provide training or lecturing then this would generally be treated as the provision of education and exempt from VAT.

# Internal recharges

When internal recharges are being processed between Departments, the gross cost incurred by the providing Department should be recharged to the consuming Department. No VAT is due on internal charges. The tax code 1 should be used.

# Laundry charges

If a charge is included within the overall residential accommodation fee then the supply is VAT exempt. Otherwise, if a separate charge is levied, the supply is taxable at the standard rate.

# Lettings of rooms (excluding conference facilities)

The VAT liability of plain room hire, depends on the geographic location of the room. Certain buildings have ‘opted to tax’ e.g., Arts Centre Business Units, which means plain room hire is taxable at the standard rate. Where there is no option to tax, room hire with no additional facilities provided is exempt.

Where charges are made for the use of equipment, the entire charge, including that for the room, is subject to VAT.

The letting of rooms for the purpose of a supply of catering, e.g., halls for dinners or parties, is taxable. B&B accommodation is also taxable unless provided to a student.

For letting of conference facilities, please refer to ‘Conferences’ above.

# Library services

The supply of printed matter by HE institutions’ bookshops is taxable at either the standard or zero‐rate, depending upon its nature. Standard rated materials, which are identified as being sold only to the University’s students, for an educational purpose, are exempt. If the University lends or hires a zero rated article any charge should also be zero rated.

Where the Library acts as a back‐up library, supplying photocopies, microfilms etc. to the British Library (Lending Division), the British Library should be invoiced for such supplies (together with any handling charge) at the standard rate. Supplies of books and other zero rated printed matter to the British Library will remain zero rated.

The supply of a photocopy of a complete book, booklet etc. is zero rated, but the supply of photocopied extracts is standard rated ,except where the supply is to the University’s students for an educational purpose.

If the University sells licences to third parties, allowing them access to print copies of our publications, then these are a standard‐rated supply and VAT should be charged.

# Medical and veterinary research

As a registered charity, the University is eligible for VAT relief (zero rating) for the purchase of relevant goods/services used mainly for medical or veterinary research. However, it is very important to note that we are NOT able to claim relief from VAT on all items purchased for medical research etc. The principle is that we must pay VAT, unless ALL the conditions for obtaining the relief are met.

**Conditions for relief to apply:**

In order to be eligible to claim the relief **both** of the following must apply:-

* The equipment must be included in a list of eligible goods **and;**
* The goods must be used for medical or veterinary research, training, diagnosis or treatment.

**Eligible Goods**
These include:-

* Medical equipment
* Scientific equipment
* Computer equipment and certain software
* Video equipment
* Sterilising equipment
* Laboratory equipment
* Refrigeration equipment
* Parts and accessories for use in any of the above equipment

A more comprehensive list can be[found here](https://www.gov.uk/government/publications/vat-notice-7016-charity-funded-equipment-for-medical-veterinary-etc-uses/vat-notice-7016-charity-funded-equipment-for-medical-veterinary-etc-uses#qualifying-goods-and-services)

The following items **do not** qualify

* Bulk materials such as liquids, powders, sheets, pellets, granules
* Clothing (other than specialist medical equipment such as surgical masks, gowns and gloves)
* Consumables such as chemical reagents, fuel, ink, medicines, oil, paper, and cleaning and sterilising fluids. However, medicines and chemical reagents may qualify for zero-rating under a separate relief.

**Qualifying use**Medical, scientific, computer, video, sterilising, laboratory, or refrigeration equipment purchased for any other use is not eligible for zero-rating. Equipment purchased or hired for the following does **not** qualify:

* General biological studies
* Environmental research
* Research into animal husbandry or food production
* General administration
* Domestic or leisure purposes

Where the equipment is to be used partly for a qualifying use, and partly for any other use, it can be zero-rated only where its main use is for medical or veterinary research. In this context ‘main’ means real, substantial and continuing. this is generally taken to mean that over 50% of the use is for qualifying purposes.

**Definition of Medical or Veterinary research**Medical or veterinary research is defined as being original systematic investigations undertaken in order to gain knowledge and understanding of the treatment or palliation of a physical or mental abnormality in humans or animals. It also includes the use of existing knowledge and experimental development to produce new or substantially improved materials, services, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes - for example for the maintenance of national standards - as distinct from the development of new analytical techniques.

**Definition of Medical or Veterinary training**This is professional vocational training. It is the process of bringing a person to an agreed standard of proficiency by practise or instruction. It does not include general preparatory scientific studies that are required before professional training can commence, for example biology or chemistry.

The course or programme of study should be looked at in its entirety. If it is 100% theoretical, it will not qualify as medical training but if it is part theoretical and part practical or 100% practical, it will.

Medical training is limited to doctors, nurses, surgeons and other health professionals who are or seek to be listed on an extant statutory register.

Veterinary training is limited to veterinary surgeons and veterinary nurses who are or seek to be listed on an extant statutory register.

**Definition of Medical or Veterinary diagnosis**This the identification of diseases and examination of systems.

**Definition of Medical or Veterinary treatment**
This includes the administration of medicines, physiotherapy, and surgery.

**How to claim**
To claim zero rating a zero-rate certificate must be issued to the supplier when making the order.
If the goods are being imported the zero rating certificate should also be provided to the courier so import VAT is not charged.

See website for zero rating certificate to be completed and sent to supplier. There is also a link to a useful flowchart when assessing whether the equipment is eligible.

# Medicinal products and substances for medical or veterinary use

A charity engaged in the treatment or care of people or animals, or in medical or veterinary research, can purchase medicinal products at the zero rate.

A ‘medicinal product’ is a substance presented as a medicine, or an ingredient for a medicine, capable of being administered to people or animals for a medicinal purpose. The zero rate covers medicinal products purchased by a charity for the purpose of testing the efficiency of those products.

‘Medicinal purpose’ means treating or preventing disease

* diagnosing disease, or ascertaining the existence or degree of a physiological condition
* contraception
* inducing anaesthesia
* otherwise preventing or interfering with the normal operation of a physiological function, whether permanently or temporarily, and whether by terminating, reducing or postponing, or increasing or accelerating the operation of that function, or in any other way

**Drugs and chemicals**A charity engaged in medical or veterinary research can purchase substances directly used for testing, or for mixing with other substances in the course of that research, at the zero rate.

A ‘substance’ can be natural or artificial, and can be in solid or liquid form or in the form of a gas or vapour. If the substance is purchased in the form of gas the zero-rating will also apply to the cylinder rental.

# Museums

Section 33A VAT Act 1994 provides that refunds can be given to specified museums and galleries. The provisions in section 33A can only be used to reclaim any VAT you incur in relation to non-business activities relating to providing free admission to the public.

This is a VAT refund scheme aimed at supporting the provision of free access to museums and galleries. It allows eligible museums and galleries to claim back VAT incurred on most goods and services purchased in order to grant free rights of admission to their collections.

The following museums operated by the University are covered by the above scheme:

* Ceramics Gallery
* School of Art Gallery and Museum

**Definition of Free admission**Admission is free where the public is able to enter a museum or gallery (without pre-booking), view the collections on display and use freely available facilities for no charge. This includes, for example, access to common areas and facilities such as play areas for children, lectures and instructional classes provided for no charge.

**What VAT can be reclaimed under section 33A**You can reclaim VAT incurred on most goods and services you purchase in order to grant ‘free rights of admission’ to your principal collections. This extends to VAT incurred on:

* the supply to you of goods or services
* goods you have imported into the UK
* goods you acquire in Northern Ireland from the EU

**The supply of goods and services**Whether or not you’re registered for VAT, you can get refunds on goods and services you use or intend to use for free admissions only if you:

* place the order
* receive the supply
* receive a tax invoice addressed to you
* pay from your own funds (including funds awarded to you, for example, lottery funds)

**Time limits for claiming VAT**You must make your claim within 4 years of the due date of your VAT Return for the prescribed accounting period in which the VAT became chargeable — but commencing only from the date specified in the Treasury order naming you.

**What is meant by VAT incurred in relation to ‘free rights of admission’**Where you admit the public free of charge to view the principal collections in your museum or gallery, you will be able to reclaim the VAT you have incurred on the:

* items and collections on display (provided they have borne VAT)
* goods and services necessary for their upkeep
* upkeep of the part of the building (including common areas) in which they’re housed
* provision of free information in relation to the items or collections on display, including advertising and other promotional material

**Specific examples**More specifically, this might include the VAT you incur in relation to:

* buying, acquiring or importing the items and collections to which the public has free access
* storing, cleaning and restoring them
* repairing and maintaining that part of the museum or gallery where they’re housed, including cleaning that area and making it secure
* building a new wing to house them
* providing ‘virtual’ access to, and information about them, including virtual museum tours via your free website (provided this is not a business activity)
* providing free lectures
* advertising and promoting them by any other means, including the internet

It also includes those areas, such as office space, that are not themselves open to the public but which are used for administration purposes in connection with free admissions.

**2.8 How section 33A applies if you charge the public to see specific items or exhibitions**

Provided the public has free access to the principal collections on display, it does not matter that you occasionally charge people to see special exhibitions and so on. However, your claim under section 33A is restricted to VAT incurred in relation to ‘free rights of admission’. VAT incurred in relation to the special exhibition the public pays to see is subject to the normal rules of input tax deduction.

**2.9 When VAT cannot be claimed under section 33A**The provisions in section 33A cannot be used to reclaim any VAT you incur in relation to:

* any non-business activities other than providing free admission to the public) — for example, you cannot recover under this provision any VAT incurred in relation to grant funded research
* any business activities, such as shops, catering outlets, commercial sponsorship (including commercially sponsored websites), or educational courses that you provide for consideration.

Additionally, section 33A does not permit you to recover any VAT:

* that cannot be recovered under the normal VAT rules.
* incurred in another country.

For further information see [HMRC VAT Notices 998: VAT refund Scheme for national museums and galleries](https://www.gov.uk/government/publications/vat-notice-998-vat-refund-scheme-for-national-museums-and-galleries/vat-notices-998-vat-refund-scheme-for-national-museums-and-galleries)

# Nursery services

Fees for crèche and nursery services are VAT exempt, provided that the nursery is registered under the Children Act 1989.

# Option to tax

An option to tax allows the University to recover VAT on the construction and maintenance costs associated with a property. VAT must be charged on any rental income derived from buildings on which an option to tax is in place.

An option can only be revoked within 6 months of an option being made (as long as no output tax has been accounted for or input tax claimed) or after 20 years since the option first took effect.

Copies of the Option to Tax are held by the Finance office.

# Overseas agents

A University will often engage an agent to recruit students on its behalf. This agent is often paid on a commission basis. The agent sometimes collects fees on behalf of the University and then deducts its commission and pays the net amount to the University and in other arrangements the agent will not be involved in collection of fees but will invoice the University for its work. Where that agent is based outside the UK and is recruiting students from outside the UK, the University will have to pay HMRC standard rate reverse charge VAT on the amounts charged by these agents.

Following a court decision, we are required to treat VAT on overseas agents costs as irrecoverable.

The agents provide a range of services including

• Assisting students with choosing courses
• Assisting students with enrolment
• Assisting students with visas etc.
• Assisting education provider with collecting fees
• Representing the University to market and promote its courses
• Assisting the education provider with collecting fees from students

These services are generally considered a single service rather than multiple supplies.

# Overseas income

**Place of supply rules for overseas income**If a supply of goods or services has taken place, for the transaction to fall within the scope of UK VAT the supply must take place within the UK. Place of supply VAT rules are different for goods and services.

**Supply of goods:**The supply of goods is deemed to be supplied where the goods are located at the time when dispatch or transport of the goods to the customer begins. For goods supplied from the UK, the place of supply is the UK. You can zero-rate the sale (i.e., use tax code SZ) subject to holding the appropriate export evidence; and the goods leaving the UK within the relevant time limits (normally 3 months). Proof of export must be held for 6 years.

**Supply of services:**Under the general rule, the VAT rate to charge depends on whether the services are supplied to another business – a Business to Business supply (B2B) – or to a private customer – a Business to Consumer supply (B2C)

The general rule for B2B supplies is that the place of supply is where the customer belongs. If the customer belongs outside the UK, the supply is outside the scope of UK VAT. The tax code to use in this circumstance is SZ.

The general rule for B2C supplies is that the place of supply is where the supplier belongs. Supplies made by the University to consumers are subject to UK VAT at the appropriate UK rate.

**Exceptions to the General Rule:**Certain services will not fall under the B2B and B2C rules. These include:

* Land-related services will be subject to VAT according to where the land is located;
* admission to events will be deemed to be supplied where the event takes place.

**Recovery of VAT on costs incurred to provide overseas services:**Where a service is supplied to an overseas business that is outside the scope of UK VAT but would have been subject to VAT if supplied to a UK business, any VAT incurred to provide the service is fully recoverable. The supply is deemed to be outside the scope of VAT (with credit).

If there is no supply of a service and you are merely receiving a grant from an overseas body to fund research, then the receipt of income is outside the scope of VAT and any VAT incurred is an expense to the grant.

# Overseas purchases

UK VAT is due on the purchases of most services from overseas suppliers at 20% under the reverse charge mechanism.

**Reverse charge**The reverse charge applies to almost all purchases of services from overseas suppliers, except exempt supplies, excepted supplies and the ‘Use and Enjoyment’ rules (see below for further detail).

The overseas supplier should not charge VAT on its invoice. This is not as beneficial as it might seem because the University is required by law to charge itself VAT at the UK standard rate of 20% (if the services would have been subject to standard rate VAT if purchased in the UK). This puts the University in the same position as if we had received the supply from a UK supplier rather than from one outside the UK

The University's VAT number GB 450 7372 00 must be quoted on orders for purchases of goods and services from overseas suppliers. This demonstrate you are a business customer and enables the overseas supplier to avoid charging their country's VAT or its equivalent on the supply to the University.

If the overseas supplier charges VAT, or their countries equivalent, on their invoice, reverse charge VAT will still be payable in the UK, on the total invoice value, including the overseas VAT.

When entering a purchase order on ABW for transactions where reverse charge VAT should be applied, the tax code PB should be entered for purchases and PC for services. No VAT will be shown on the purchase order, ABW will automatically record the reverse charge VAT at standard rate (20%) once the purchase invoice is processed.

**Zero-rated & Exempt purchases - no Reverse Charge VAT applicable**Where services would be taxed in the UK at 0% (Zero-rated) e.g., electronic publications (e-books, e-journals etc) and supplies of many advertising services to the University, there will be reverse charge VAT of 0%. The tax code PZ should be used on ABW

Where the services being purchased would be treated as exempt in the UK (e.g., education), the reverse charge does not apply. The tax code PE should be used on ABW

**Excepted items - no Reverse Charge VAT applicable**

* Services relating to land – expect VAT to be charged in country where land located.
* Passenger transport – specific rules, depends on facts.
* Right of admission to cultural/educational events including conference, seminar and course fees – expect VAT to be charged in country where event is located.
* Catering services – VAT due where catering physically takes place.
* Hire of goods used outside the UK – expect VAT to be charged where goods are located.

The tax code PE should be used on ABW for these services.

**‘Use and enjoyment’**Anti avoidance rules called ‘use and enjoyment’ are intended to make sure taxation takes place where certain services are consumed.  They aim to prevent either non- taxation or double taxation.

The services covered by these rules are:

* the letting on hire of goods (including means of transport)
* electronically supplied services (Business to Business only)
* telecommunications services (Business to Business only)
* repairs to goods under an insurance claim (Business to Business only)
* radio and television broadcasting services

You may be charged overseas VAT on the above where they are consumed overseas.

The tax code PE should be used on ABW for these services.

**Importing goods from abroad**
Aberystwyth University uses Postponed VAT Accounting (PVA) to account for and recover any recoverable import VAT (reverse charge VAT) on our VAT return, where possible. This avoids needing to pay import VAT at customs.

Aberystwyth University has a single supplier agreement with DHL, for all their importing / export requirements.Goods must be imported/exported with DHL to assist with customs clearance. **It is important to contact the post room** at aprstaff@aber.ac.uk before ordering or moving any goods to/from abroad so they can arrange the goods to be shipped with DHL and advise on any custom charges which will also be applied to imports. Any VAT exemption certificates should also be provided to DHL at the time of ordering. All goods must be imported with DHL, through the post room to avoid any holdups at Customs and to ensure import VAT is applied correctly.

The only exception is regarding the shipping of pallets, which cannot be undertaken by DHL, and Station Couriers should be used. The post room should also be contacted for arranging the shipping pallets.

In the case of purchases of goods or services from overseas coded with PB or PC on ABW, no VAT will be shown on the purchase order, ABW will automatically record the reverse charge VAT at standard rate (20%) once the purchase invoice is processed.

**Customs duty reliefs**
Customs duty is also chargeable on imports, where the goods are not eligible for relief from it.

Reliefs from import duty are available for all scientific instruments and apparatus together with spare parts and special tools and approved biological and chemical substances, for use in all non-commercial research and educational activities. Relief is also available for animals imported for use in scientific research.

These reliefs are different from that for VAT zero-rating on relevant goods used for medical research or training, which is more restricted. Therefore, some imports might be duty-free but subject to VAT, whilst some relevant goods used in medical research may be both duty-free and VAT free.

Claims for Duty relief must be made **before** the goods arrive. To claim the relief, you need to instruct the freight company, or the supplier of the goods, that the goods qualify for relief when you initially order the goods or, instruct them to deliver the package. Please note the freight company should be DHL as explained above.

Detailed information on available reliefs can be found in HMRC guidance [UK Trade Tariff: relief from customs and excise duties and VAT](https://www.gov.uk/government/publications/uk-trade-tariff-relief-from-customs-and-excise-duties-and-vat/uk-trade-tariff-relief-from-customs-and-excise-duties-and-vat)

# Photocopying income

Charges to students for photocopying are exempt if supplied for an educational purpose. Any other photocopying is standard rated unless the charge is for a duplicate of a complete brochure or book in which case this is zero rated.

# Postage and delivery charges

If the University makes a sale of goods and the delivery charge is part of the contract, then the VAT liability of the delivery charge follows that of the main supply e.g. the University is selling a book and delivery is included then both the income from the sale of the book and the delivery charge would be subject to zero rate VAT. However, if delivery is not part of the contract, then the delivery charge is deemed to be a separate supply and VAT would be chargeable on the delivery charge.

The sale of stamps by the University is exempt for VAT purposes providing that the stamps are sold at face value or below.

# Profit sharing arrangements

The VAT status of income from a profit-sharing arrangement will be determined by the nature of any underlying supply. Please contact the Finance Office for advice.

# Pro‐forma invoices/request for payment

Pro-forma invoices are issued by suppliers who are set up to account for VAT on receipt of payment rather than at the point an invoice is issued. VAT recorded on pro-forma invoices cannot be reclaimed. Where payment is made to a supplier on a request for payment, cash with order or pro‐forma invoice basis, VAT is not recoverable until the final VAT invoice is received from the supplier. It is therefore important to ensure a final invoice is requested from the supplier.

# Publication income

Income from articles published in academic journals is taxable at standard rate.

# Purchase card

The University operates a purchase card scheme for the procurement of low value items. Departments must ensure that a VAT receipt or tax invoice is obtained for the University’s records.

# Recharge/Reimbursement of Expenses

The tax treatment of expenses recharged to a client will generally follow that of the service itself.

For example, if invoicing a UK client for a taxable supply, such as consultancy, and the travel costs, VAT should be added to both the consultancy charge and the recharge for associated travel expenses. If, instead, the expenses charged to the client relate to an academic who has given a series of lectures for a client then the invoice for both the lecturing and associated travel would both be exempt from VAT

**Disbursements**
Where no VAT is incurred on the original expenditure, it may be beneficial to consider if recharges to the client can be treated as a disbursement and therefore outside the scope of VAT. The rules for a recharge to qualify as a disbursement are onerous. All of the following conditions must be met in order to qualify:

• you paid the supplier on your customer's behalf and acted as the agent of your customer
• your customer received, used or had the benefit of the goods or services you paid for on their behalf
• it was your customer's responsibility to pay for the goods or services, not yours you had permission from your customer to make the payment
• your customer knew that the goods or services were from another supplier, not from you
• you show the costs separately on your invoice
• you pass on the exact amount of each cost to your customer when you invoice them
• the goods and services you paid for are additional to whatever you're billing your customer for doing yourself

It's usually only an advantage to treat a payment as a disbursement for VAT purposes if the supplier didn't charge VAT on it. If VAT was charged on the expense, there is no benefit to disbursement treatment.

# Replacement degree certificates

Charges for replacement degree certificates are subject to standard rate VAT.

# Research

The VAT classification of Research often presents problems. In assessing the VAT liability of a project two important factors must be considered. Firstly, there is a need to ensure that the project falls within HMRC’s definition of research and secondly, the business status of the recipient needs to be established.

There is no legal definition on ‘research’ in VAT law. HMRC however defines research as follows: “Research means original investigation in order to gain knowledge and understanding. Your supply is one of research whenever your activities are directed towards increasing areas of knowledge or understanding. It is the intention at the beginning of the project that will determine whether the supply qualifies as research. If the intention was to progress understanding, the supply is one of research.”

The following are examples of work that does **not** qualify as research:

• management consultancy and business efficiency advice;
• collection and recording of statistics, without accompanying collation, analysis and interpretation;
• market research and opinion polling;
• writing computer programs; and
• routine testing and analysis of materials, components and processes.

However, some of these activities will qualify if you supply them as part of a research project.”

Research can either be non-business, taxable or outside the scope with the right to deduct, depending on who it is provided to, where it is provided and how it is funded.

**Types of research**
Research can be divided into commissioned research and university-led research.

Commissioned research would be undertaken at the request of a client for an agreed consideration. While the client usually initiates it, the University may approach potential clients who may have an interest in the research and ask them to fund it. Commissioned research is a taxable activity liable to VAT.

University-led research is initiated by the University and is generally funded in whole or in part by grant funding, typically from the Research Councils, government, and charities. This is normally undertaken to advance human knowledge rather than for any business reason. It will generally be treated as a non-business activity and outside the scope of VAT.

**Determining the VAT treatment of research**
The key is the detailed contractual arrangement but as a general rule of thumb the following influences the VAT treatment of a supply:

* **What is being provided** – as stated above if the work being performed does not meet HMRC’s definition of research it will be a taxable supply.
* **Who the grant is from/ who the customer is –**there is a general presumption that if the customer is a commercial company then VAT will be applicable.
* **Where the customer is based**– under general VAT place of supply rules where a customer/grantor is based overseas any supply of services will be outside the scope of VAT.
* **Where IP vests**– where the intellectual property (IP) vests with the customer/ grantor to enable them to obtain some kind of commercial advantage then the assumption is that the supply is subject to VAT.

**Research that is within the scope of VAT**For a supply to come within the scope of VAT there must be at least two parties and a written agreement between them under which something is done for a consideration and by way of business. This means that there must be a direct link between the service supplied (in this case research) and the consideration received such that the relationship can be established between the level of benefits the customer gets and the amount they pay. Consequently, where research is supplied by way of business and under a contract (or other agreement) in return for consideration, this will be within the scope of VAT.

**Research that is outside the scope of VAT**
Generally, research is outside the scope of VAT when it is funded, either by the public sector or by the charitable sector, for the wider public benefit. This includes research that is funded for the general public good and is either not expected to generate any intellectual property (IP), or if it does then any reports or findings will be freely available to others. However, this is only a general rule of thumb and each case must be considered on its own merits.

The main question to ascertain whether the research is outside the scope of VAT is whether the funding is part of the consideration for any specific supply: does the funder receive anything for the consideration that is paid? If not, then service is outside the scope of VAT.

Therefore, where a government agency commissions research which informs its own policy and the agency retains any IP that arises – this would be a taxable supply.

Where the terms of the contract identify that the results of the research will be in the public domain but delayed to allow for patent protection – this is an indicator that the research is commercial in nature and would not be covered by the exemption.

Where IP remains with the University but a cost free grant is licenced to the customer/ grantor to enable them to market products from the result – this again would be an indicator that the research is commercial in nature and would not be covered by the exemption.

**Collaborative research**
Where the main research contract is deemed to be outside the scope by virtue of the section above, other contracts linked to the provision of the supply may also be outside the scope by virtue of the collaborative research exemption.  For this to apply HMRC would need to be satisfied that the collaborative arrangement is genuine, then it will accept that all research services provided by each of the collaborating bodies involved in the project are outside the scope of VAT, even if the funding may be passed on by the lead research body to others and that only the lead research body is party to the contract with the funding body.

In order to evidence that a project is collaborative and that the funds passing between eligible bodies are not consideration for any supply for VAT purposes, HMRC may ask for evidence that research bodies are participating in collaborative research; the best evidence of that will be the original application for funding which would, in many cases, show who all the collaborative partners are. However, HMRC will accept any alternative evidence that clearly demonstrates that the bodies concerned were participating in collaborative research.

If research bodies are added to or are substituted in a collaborative research project once it has commenced (and so are not mentioned in the funding contract) HMRC would still see them as parties to the collaborative project so that their supplies remain outside the scope of VAT.

**Knowledge Transfer Partnerships (KTP’s) or similar**
KTP’s are a UK wide programme enabling businesses to improve their competitiveness, productivity and profitability by establishing partnership with an academic institution.  Such activities are part funded by Government Agencies and part funded by the Business partner. The Government Agency funding being exempt from VAT and the Business partner element being subject to VAT at the standard rate.

# Reverse Charge VAT

See [Overseas purchase](#_Overseas_purchases) above.

# Royalties

Income to the University from royalties is liable to VAT at the standard rate unless the customer belongs outside the UK.

# Sales invoices

For supplies of goods and services to a business customer, invoices must be raised.

VAT on sales invoices must be accounted for to HMRC in the correct period. To ensure compliance, sales invoices must normally be raised within a maximum period of 14 days from the date of supply of the goods or services.

 Where supplies of services are on-going, then sales invoices should normally be raised periodically in accordance with the agreement with the customer.

See ‘Tax invoices’ for details of what information is required on an invoice.

# Second‐hand goods

Normal VAT rules apply to the sale of second‐hand goods by the University. For example the sales of a second hand computer is taxable and the sale of medical/veterinary equipment to an eligible body for use in medical/veterinary research would be zero rated if the customer provided a Zero Rate certificate.

# Self‐billing

Self‐billing may arise in the context of royalty payments or other commission style receipts, where the customer has the data, e.g. sales volume to calculate amounts due to the University. The customer, operating an approved self‐billing scheme, issues a tax invoice to himself or herself on behalf of the University. Departments must ensure they account for the VAT shown on the invoice when paying in the sum received.

# Sponsorship

Sponsorship money, which confers advertising or promotional benefits, or obtains special rights, e.g. privileged use of facilities or expertise, is taxable at the standard rate.

The intention of the parties at the outset should be considered. It is important that any agreement with a sponsor takes these points into account, in order to avoid potentially embarrassing and unnecessary misunderstandings about amounts payable. Many sponsors will be VAT registered and they will be able to recover VAT charged by the University and they will require a sales invoice for their records.

HMRC has confirmed they accept that the simple acknowledgement of a corporate donation does not give rise to a “supply” for VAT purposes. However, they take the view that use of a corporate logo on a charity website or stationery would create a supply of sponsorship on which VAT should be charged.

# Sport

**Letting of sports facilities**

Charges to the University’s own students for the use of sports facilities are exempt.

Charges to individuals for playing sport are also exempt

Supplies to other organisations are standard rated unless either:

* they are provided to another provider of exempt education for the direct use by that body’s own students in connection with a supply of education;
* or they meet the conditions for exemption as lettings for a continuous period of use exceeding 24 hours or more, or a series of lettings of ten or more periods, whether or not exceeding 24 hours in total, where each of the following conditions has to be satisfied:
- each period is in respect of the same activity carried on at the same place;
- the interval between each period is not less than one day and not more than 14 days;
- consideration is payable by reference to the whole series and is evidenced by written agreement (if they want to cancel a session you can’t give them a credit/refund. If you do the supply will be standard rated rather than exempt);
- the grantee has exclusive use of the facilities; and
- the grantee is a school, a club, an association or an organisation representing affiliated clubs or constituent associations.

**Sports passes**

The sale of sports passes to students to provide them access to the University’s sports facilities is exempt for VAT purposes.

Supplies to corporations would generally be standard rated. This is quite a complex area, full details can be found in HMRC Notice 701/45, please contact the Finance Department if you’d like further information.

# Student placements

Any charge to a business, made by the University for a student industrial/work placement, is taxable at the standard rate.

# Studentships and stipends

Income which is not a grant received from research councils or charities to cover the cost of a studentship is subject to VAT.

Income from charities to cover the cost of studentships is generally outside the scope of VAT but contracts should be reviewed by to ensure that the income is not taxable. Please contact the tax team for further advise.

Charges to a commercial or industrial sponsor for the cost of a studentship including the student stipend and bench fees are both subject to VAT at standard rate. The only exception to this would be where a commercial or industrial sponsor is not granted any preferential rights or licence in Intellectual Property Rights arising from the studentship and where there are no restrictions on publication which may be imposed by the commercial sponsor.

# Students’ Union

The Students’ Union is a separate body and has an independent VAT registration with HMRC. In principle, VAT is chargeable on supplies made to the Students Union and its affiliated clubs, but a special concession is applied where the final consumer is a student of the University.

VAT is not chargeable if the supply would have been exempt from VAT had it been made to an Aberystwyth University student and provided that the goods and services concerned are for the direct use of students. In essence, the Students Union is treated as another eligible body for the purposes of the exemption of supplies that are closely related to education. Examples that can be exempted include the supply of accommodation, catering, and educational materials. For all other charges, the Students Union is treated as an external customer and VAT applies according to the relevant treatment of the supply concerned.

# Supply of Staff / Secondments

Where the University has agreed to undertake work on behalf of a client and allocates certain members of staff to that work but has the right to substitute another member of staff to that work then this would represent a supply of services. The VAT treatment would depend on the nature of service supplied.

Where staff are supplied but remain under the University’s control this is regarded as a supply of services rather than a supply of staff, and the VAT liability would be determined by the liability of the service. For example, if members of staff were working for another educational institution under a contract that requires the University to supply a lecture or tutorial course, this would represent the supply of education which would be exempt from VAT. If instead the University were providing administrative support to an external organisation and a member of staff was assigned to that work the fees charged for the service are subject to VAT.

Supplies of medical staff are currently standard rated for VAT. The ‘end purpose’ of health provision is not sufficient to exempt such supplies.

**Secondment of staff**

If the University agrees to second specified members of staff to work under the direction and control of another party, then there is a secondment/supply of staff that is generally taxable, although there are exceptions, which are described below The supply is essentially the granting of rights to the other party for the member of staff to be managed by that party and is taxable at the standard rate. The supply is taxable even if the University is simply recharging the costs it has incurred such as gross pay, employer’s national insurance and employer’s pension contribution.

**Secondments which are outside the scope of VAT**
 Where:

• the client is a charity or other not for profit organisation (not a public or local authority) and
• the employee is working and has worked only on non-business activities at both the University and the client, that is, grant-funded research or fundraising (lecturing would not qualify and
• payment for the supply of the employee’s services does not exceed the employee’s normal remuneration (total costs including National Insurance and pension scheme contributions)

 the income for the secondment will be outside the scope of VAT.

**Secondments which are exempt from VAT**
Where:

• an employee responsible for teaching is seconded to an eligible body (expected to be an educational institution and
• the role for the secondee involves teaching only, with no responsibilities for administration or other tasks

 the income for the secondment will be exempt from VAT.

Where:

• an employee is provided for the purposes of catering and/or accommodation to an eligible body that provides education for a charge

the supply of that employee will be closely related to the education supplied by the customer and the income for that supply will be exempt from VAT.

**Supply of staff and joint employment**Where staff are jointly employed there is no supply for VAT purposes between the joint employers. Staff are jointly employed if their contracts of employment or letters of appointment make it clear that they have more than one employer. The contract must expressly specify who the employers are for example 'Company A, Company B and Company C', or 'Company A and its subsidiaries'.

Staff are not jointly employed if their contracts are with a single company or person, even if it requires them to work for others.

**Secondment of staff between the NHS and the University**
Charges for staff seconded to/from the NHS will generally be liable to VAT. However, under very restricted conditions secondments can be treated as outside the scope of VAT. The terms on which this was accepted by HMRC are outlined in a Memorandum of Understanding.

Such arrangements would only be possible where:

* staff are engaged in both teaching and/or research as well as the delivery of patient care and
* there is a joint integrated job plan encompassing both NHS and University commitments covering amongst other things relevant aspects of teaching, research, and patient care;
* there is an honorary and substantive contract of employment between the individual and both the University and the NHS trust. Both the NHS Trust and the University would have responsibilities as employers of the individual concerned and the employee would be accountable to both employers.

In these specific circumstances one of the two employers would normally pay the total remuneration to an employee (i.e., on a paymaster basis) for the other employer’s share of the employee’s costs. The charge to the second employer for their element of the cost would be outside the scope of VAT. If these circumstances do not apply, staff secondments to or from the NHS would be subject to VAT.

# Tax invoices

A tax invoice must be issued whenever VAT is charged. A valid VAT Invoice must show the following:

• an invoice number;
• the time of supply (tax point);
• date of issue (if different to the time of supply)
• the supplier’s name, address and their VAT registration number;
• the customer’s name and address;
• the type of supply, e.g. sale, lease, rental, sale or return, process;
• a description of the goods / services supplied. For each description, the supplier must show:
 - quantity of goods or extent of supply;
 - the total charge made excluding VAT;
 - the rate of VAT;
 - rate of any cash discount offered;
 - each rate of VAT charged and the amount of VAT charged at each rate and shown in sterling; and
 - total VAT charged.

If the charge for a supply is £250 or less then, a less detailed tax invoice can be issued, which must include the supplier’s name, address and VAT registration number, the time of supply, goods and services supplied, the total amount payable including the VAT and VAT rate charged.

Statements are not acceptable to HMRC as invoices and VAT recovery can be disallowed by Inspectors.

# Tax point

The basic tax point is the date when the goods are sent or made available to the customer or the service is performed. The University is normally required to issue a tax invoice to the customer within 14 days of the tax point.

# Telephones

If the University recharges the cost of telephone calls, line rental costs or telecommunication services to an external body, which uses the University’s telephone system, then the recharge is taxable.

# Vending income

Income from vending machines is subject to VAT.

# Vocational training

Supplies of vocational training made by the University are VAT exempt. Vocational training covers training, re‐training and the provision of work experience. It includes courses, conferences, lectures, workshops and seminars designed to prepare those attending for future employment or add to their knowledge in order to improve their performance in their current work.

# Zero rate supplies

Income from the sale of certain goods and service is subject to zero rate VAT. We can reclaim VAT on any expenditure related to that income. This is in contrast to the fact that we cannot recover VAT on any exempt activities e.g., delivery of education by the University, or rental of properties.

If we supply zero-rated goods or services, we charge VAT at zero per cent, so there is no VAT charge. We must use tax code SZ and state on sales invoices that the VAT rate is 0%

# Appendix 1

**Liability of some common items of printed matter**

| **Item** | **Liability** |
| --- | --- |
| Acceptance cards | Standard-rated |
| Account Books | Standard-rated |
| Accounts (fully printed) | Zero-rated |
| Address books | Standard-rated |
| Advertising leaflets | Zero-rated |
| Agendas (fully printed) | Zero-rated |
| Albums | Standard-rated |
| Almanacs | Zero-rated |
| Amendment slips | Standard-rated |
| Amendments (loose-leaf) | Zero-rated |
| Announcement cards | Standard-rated |
| Annuals | Zero-rated |
| Antique books | Zero-rated |
| Antique maps | Zero-rated |
| Appointment cards | Standard-rated |
| Articles of association (complete in booklet form) | Zero-rated |
| Astronomical charts | Zero-rated |
| Atlases | Zero-rated |
| Autograph albums (uncompleted) | Standard-rated |
| Autograph books (completed) | Zero-rated |
| Badges | Standard-rated |
| Bags, paper | Standard-rated |
| Ballot papers | Standard-rated |
| Bankers’ drafts | Standard-rated |
| Bibliographies | Zero-rated |
| Billheads | Standard-rated |
| Bills of lading | Standard-rated |
| Bills of quantity (blank) | Standard-rated |
| Bills of quantity (completed) | Zero-rated |
| Binders | Standard-rated (but see paragraph 5.2) |
| Bingo cards | Standard-rated |
| Biorhythm charts | Standard-rated |
| Blotters | Standard-rated |
| Book covers | Standard-rated |
| Book marks | Standard-rated |
| Book tokens | Standard-rated |
| Booklets | Zero-rated |
| Bookmakers’ tickets | Standard-rated |
| Books | Zero-rated |
| Brochures | Zero-rated |
| Bulletins | Zero-rated |
| Business cards | Standard-rated |
| Calendars | Standard-rated |
| Catalogues | Zero-rated |
| Certificates | Standard-rated |
| Charts (geographical or topographical) | Zero-rated |
| Cheques and cheque books | Standard-rated |
| Cigarette cards | Standard-rated |
| Circulars | Zero-rated |
| Cloakroom tickets | Standard-rated |
| Colour cards | Standard-rated |
| Colouring books (children’s) | Zero-rated |
| Comics | Zero-rated |
| Company accounts and reports | Zero-rated |
| Compliment slips | Standard-rated |
| Copy books | Standard-rated |
| Correspondence cards | Standard-rated |
| Coupon books | Standard-rated |
| Coupons | Standard-rated |
| Credit cards | Standard-rated |
| Crossword books | Zero-rated |
| Delivery notes | Standard-rated |
| Diaries (completed) | Zero-rated |
| Diaries (unused) | Standard-rated |
| Dictionaries | Zero-rated |
| Directories (completed) | Zero-rated |
| Dividend warrants | Standard-rated |
| Dressmaking patterns | Standard-rated |
| Election addresses | Zero-rated |
| Encyclopaedias | Zero-rated |
| Engineers’ plans | Standard-rated |
| Envelopes | Standard-rated |
| Exercise books | Standard-rated |
| Fashion drawings | Standard-rated |
| Flash cards | Standard-rated |
| Folders | Standard-rated |
| Football pool coupons | Standard-rated |
| Football programmes | Zero-rated |
| Form letters | Standard-rated  |
| Forms | Standard-rated |
| Framed decorative maps | Standard-rated |
| Games | Standard-rated |
| Geological maps | Zero-rated |
| Globes | Standard-rated |
| Graph paper | Standard-rated |
| Greetings cards | Standard-rated |
| Handbills | Zero-rated |
| Holiday and tourist guides | Zero-rated |
| Hydrographical charts | Zero-rated |
| Hymn books | Zero-rated |
| Index cards | Standard-rated |
| Inlay cards for cassette, CD or video | Standard-rated |
| Instruction manuals | Zero-rated |
| Insurance cover notes | Standard-rated |
| Invitation cards | Standard-rated |
| Invoices | Standard-rated |
| Journals | Zero-rated |
| Labels | Standard-rated |
| Leaflets | Zero-rated |
| Letter headings | Standard-rated |
| Letters (handwritten) | Standard-rated |
| Log books (blank) | Standard-rated |
| Loose leaf books | Zero-rated |
| Lottery tickets and cards | Standard-rated |
| Magazines | Zero-rated |
| Mail order catalogues | Zero-rated |
| Manuals | Zero-rated |
| Manuscript paper | Standard-rated |
| Manuscripts | Standard-rated |
| Maps | Zero-rated |
| Medical records | Standard-rated |
| Membership cards | Standard-rated |
| Memo pads | Standard-rated |
| Memoranda of association (completed in booklet form) | Zero-rated |
| Memorial cards | Standard-rated |
| Menu cards | Standard-rated |
| Microfiche | Standard-rated |
| Microfilm | Standard-rated |
| Microform copies | Standard-rated |
| Missals | Zero-rated |
| Monographs | Zero-rated |
| Music | Zero-rated |
| Music rolls | Standard-rated |
| Music scores | Zero-rated |
| Newspapers | Zero-rated |
| Note books, pads and paper | Standard-rated |
| Order books and forms | Standard-rated |
| Orders of Service | Zero-rated |
| Painting books (children’s) | Zero-rated |
| Pamphlets | Zero-rated |
| Paper, unprinted | Standard-rated |
| Parts of books  | Standard-rated |
| Pattern cards | Standard-rated |
| Periodicals | Zero-rated |
| Photograph albums | Standard-rated |
| Photographs | Standard-rated |
| Picture books | Zero-rated |
| Plans | Standard-rated  |
| Playing cards | Standard-rated |
| Poll cards | Standard-rated |
| Pools coupons | Standard-rated |
| Postcards (whether completed or not) | Standard-rated |
| Poster magazines  | Zero-rated |
| Posters | Standard-rated |
| Prayer books | Zero-rated |
| Price cards and tags | Standard-rated |
| Price lists (fully printed leaflets or brochures) | Zero-rated |
| Printed pictures | Standard-rated |
| Programmes | Zero-rated |
| Questionnaires | Standard-rated |
| Rag books (children’s) | Zero-rated |
| Receipt books and forms | Standard-rated |
| Recipe books | Zero-rated |
| Record books | Standard-rated |
| Record labels | Standard-rated |
| Record sleeves | Standard-rated |
| Registers | Standard-rated |
| Rent books | Standard-rated |
| Reply-paid coupons and envelopes | Standard-rated |
| Reproductions of paintings | Standard-rated |
| Road maps | Zero-rated |
| Score cards | Standard-rated |
| Scrap books (blank) | Standard-rated |
| Scrap books (completed) | Zero-rated |
| Scrolls (hand-written) | Standard-rated |
| Seals | Standard-rated |
| Shade cards (unless they contain substantial printed text) | Standard-rated |
| Share certificates | Standard-rated |
| Ships’ logs (completed) | Zero-rated |
| Sports programmes | Zero-rated |
| Staff journals | Zero-rated |
| Stamp albums (whether completed or not) | Standard-rated |
| Stationery | Standard-rated |
| Stationery books | Standard-rated |
| Stickers | Standard-rated |
| Swatch books | Standard-rated |
| Swatch cards | Standard-rated |
| Sweepstake tickets | Standard-rated |
| Tags | Standard-rated |
| Temperature charts | Standard-rated |
| Text books | Zero-rated |
| Theses | Zero-rated |
| Tickets | Standard-rated |
| Time cards and sheets | Standard-rated |
| Timetables (in book or leaflet form) | Zero-rated |
| Tokens | Standard-rated  |
| Topographical plans | Zero-rated |
| Toys | Standard-rated |
| Tracts | Zero-rated |
| Trade catalogues | Zero-rated |
| Trade directories | Zero-rated |
| Transcripts | Standard-rated |
| Transfers | Standard-rated |
| Transparencies | Standard-rated |
| Travel brochures | Zero-rated |
| Visiting cards | Standard-rated |
| Vouchers | Standard-rated |
| Wall charts | Standard-rated |
| Waste paper | Standard-rated |
| Wills | Standard-rated |
| Winding cards | Standard-rated |
| Wrapping paper | Standard-rated |
| Wreath cards | Standard-rated |