

Financial Guideline 2019/2020 - 43

Community & Comprehensive and Voluntary Secondary schools

Update on VAT Compensation Scheme for Charities

This guideline supersedes guideline 21-2019/2020-VAT Compensation Scheme for Charities.

In response to the impact of the Covid-19 pandemic, the closing date for submission of claims under the VAT Compensation Scheme has been extended this year, from 30 June 2020 to 31 August 2020. This is a temporary measure and applies to claims submitted in respect of eligible VAT paid by schools in 2019. Schools are encouraged, however, to continue to submit their claims as early as possible via Revenue's Online Service (ROS).

The Government Budget 2018 introduced the Charities VAT Compensation Scheme. Under the scheme, schools as charities may be able to reclaim some element of their VAT costs arising in 2019 **based on the level of non-public funding they receive**. Schools must exclude income and expenditure from canteens and tuck shops. The scheme operates on a cash basis.

- Income received means actual monies received in the calendar year to which the claim relates.
- Expenditure paid means actual monies paid out in the calendar year to which the claim relates.

Claims under the scheme for the year commencing 1st January 2019 should be made before 31st August, 2020. Refunds will be paid later in the year.

For example, where a school's total income for 2019 comprises 70% funding from the State and 30% is privately sourced income including fundraising, voluntary subscriptions and donations, the school may claim 30% of the VAT they have been charged for the year. The VAT claimed must be on expenditure that is for the benefit of the school directly.

A capped fund of €5 million will be available for the entire scheme in 2020. The scheme, including the amount provided in the fund, will be subject to review after three years.

Where the total amount of claims in a given year exceeds the €5 million capped amount, charities will be paid on a pro rata basis, e.g. where the total value of claims by all charities in 2020 amounts to €10 million, each charity will receive 50% of their claim.

Qualifying schools must be:

- 1. registered with the Charities Regulator and**
- 2. have tax clearance and**
- 3. able to provide a set of audited accounts for the year in which the claim is being submitted.**

For administrative purposes, claims valued below **€500** will not qualify.

Additional information can be found at:

<https://www.revenue.ie/en/companies-and-charities/charities-and-sports-bodies/vat-compensation-scheme/vat-compensation-scheme-for-charities/index.aspx>

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

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4th June 2020

Treoirlíne Airgeadais 2019/2020 - 43

Pobalscoileanna, Scoileanna Cuimsitheacha agus Meánscoileanna Deonacha

An t-eolas is deireanaí maidir leis an Scéim um Chúiteamh CBL le haghaidh Carthanas

Tá an treoirlíne seo ag teacht in ionad threoirlíne 21-2019/2020 – An Scéim um Chúiteamh CBL le haghaidh Carthanas.

Mar fhreagairt ar thionchar phaindéim Covid-19, tá an dáta deiridh chun éilimh a chur isteach faoin Scéim um Chúiteamh CBL curtha siar i mbliana ón 30 Meitheamh 2020 chuig an 31 Lúnasa 2020. Beart sealadach is ea é seo, a bhaineann le héilimh a chuirfear isteach i leith CBL incháilithe a d'íoc scoileanna in 2019. Moltar do scoileanna, áfach, leanúint dá n-éilimh a chur isteach chomh luath agus is féidir trí Sheirbhís ar Líne na gCoimisinéirí Ioncaim (ROS).

Tugadh an Scéim um Chúiteamh CBL le haghaidh Carthanas isteach i gCáinainéis 2018. Faoin scéim sin, d'fhéadfadh sé go mbeadh scoileanna in ann, mar charthanais, cuid dá gcostais CBL in 2019 a aiséileamh **bunaithe ar leibhéal an mhaoinithe neamhphoiblí a fuair siad**. Ní mór do scoileanna ioncam agus caiteachas ó cheaintíní agus ó shiopaí sólaistí a chur as an áireamh. Is ar bhonn airgead tirim a fheidhmíonn an scéim.

- Is éard is brí le hioncam a fuarthas ná airgead iarbhír a fuarthas sa bhliain féilire a mbaineann an t-éileamh léi.
- Is éard is brí le caiteachas a íocadh ná airgead iarbhír a íocadh amach sa bhliain féilire a mbaineann an t-éileamh léi.

Aon éilimh faoin scéim don bhliain dar tús an 1 Eanáir 2019, ba chóir dóibh a bheith déanta faoin 31 Lúnasa 2020. Amach sa bhliain a íocfar na haisíocaíochtaí.

Mar shampla, sa chás gur tháinig 70% d'ioncam iomlán scoile don bhliain 2019 ó mhaoiniú ón Stát agus go raibh 30% de ina ioncam arna fháil go príobháideach, lena n-áirítear tiomsú airgid, tabhartais agus síntiúis dheonacha, d'fhéadfadh an scoil 30% den CBL a gearradh orthu sa bhliain a éileamh ar ais. Ní ceadmhach an CBL a éileamh ach amháin ar chaiteachas a bhí chun tairbhe na scoile go díreach.

Beidh ciste nach mó ná €5 milliún ar fáil le haghaidh na scéime ina hiomláine in 2020. Beidh an scéim, lena n-áirítear an méid a chuirtear ar fáil sa chiste, faoi réir athbhreithniú tar éis trí bliana.

Sa chás go bhfuil méid iomlán na n-éileamh i mbliain ar leith níos mó ná an uasteorainn €5 milliún, íocfar na carthanais ar bhonn pro rata. Is é sin le rá, sa chás gurbh é €10 milliún méid iomlán na n-éileamh ó na carthanais uile in 2020, go bhfaigheadh gach carthanais 50% dá éileamh.

Ní mór do scoileanna incháilithe:

- 4. a bheith cláraithe leis an Rialálaí Carthanas agus**
- 5. imréiteach cánach a bheith acu agus**
- 6. a bheith in ann cuntais iniúchta a sholáthar i leith na bliana a bhfuil an t-éileamh á chur isteach ina leith.**

Chun críocha riaracháin, diúltófar d'éilimh a bhfuil luach níos lú ná **€500** i gceist leo.

Is féidir tuilleadh eolais a fháil ag:

<https://www.revenue.ie/ga/companies-and-charities/charities-and-sports-bodies/vat-compensation-scheme/vat-compensation-scheme-for-charities/index.aspx>

Is féidir tuilleadh eolais nó soiléiriú a fháil ar aon cheann de na saincheisteanna sa Treoirlíne seo ach dul i dteagmháil le FSSU.

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An 4 Meitheamh 2020