VAT

The following types of income received by Regions can be regarded as exempt from VAT:

- yearly income received from CIBSE
- any nominal charges made for catering at regular meetings of the Regions for which no entrance fee is charged. If an entrance fee is charged separately, it is taxable income. To avoid this, it may be best to include it within the nominal charges so that it continues to be treated as a contribution towards the event and remain exempt
- any interest or other investment income received
- any donations received including sponsorship for an event.

The above should cover the majority of income received by Regions. However, there may be occasions when other types of income are received by Regions for specific purposes or after specific events. As the possible types of income are diverse, it is not possible within these guidance notes to detail every specific circumstance. Honorary Treasurers are therefore requested to consult CIBSE as soon as possible in the circumstances where any other type of income is received by them so that the VAT aspects of that income can be considered centrally by CIBSE.

On the assumption that there is no other type of income in the particular Region for which the Honorary Treasurer is responsible, it will be seen that the whole of its income can be deemed exempt from VAT. As a result, any VAT that the Region suffers on its expenses or overheads cannot be reclaimed from HM Revenues and Customs.

There is therefore, no requirement for separate notification to CIBSE of VAT amounts suffered by the Region on its professional activities. Gross VAT inclusive amounts are recorded in the year-end Regional Return.

However, it is emphasised to Honorary Treasurers that CIBSE is responsible for the VAT recording and returns to the Customs and Excise in respect of CIBSE and the professional activities of its Regions. CIBSE is required to deliver complete and accurate returns to HM Revenues and Customs, with the threat of penalties and interest if mistakes are made.

Any income received or to be received which is outside the scope of the items noted above should be notified to CIBSE as soon as possible so that the correct treatment can be accounted for and, you can be advised appropriately as to whether or not it is necessary to charge VAT on that source of income.

For taxable income excluding the items above, the Region should use CIBSE VAT registration number on any request for payment issued and they should show clearly how much VAT is being charged on the income in the year-end Regional Return.

If the region is required to issue an invoice, you will need to include the following:

- You must clearly display the word ‘invoice’ on the document
- a unique identification number
- CIBSE company name, address and contact information
- the company name and address of the customer you’re invoicing
- a clear description of what you’re charging for
- the date the goods or service were provided (supply date)
- the date of the invoice
- the amount(s) being charged
- VAT amount if applicable
- the total amount owed

In the case of any doubt please contact the CIBSE Financial Controller who will be pleased to assist.

The above VAT provisions do not apply to Regions operating outside the European Union.
**Taxation**

As the professional activities of Regions fall within the auspices of CIBSE, which is a registered charity, no tax should be suffered by UK Regions in relation to their activities or income from its investments.

As part of a Registered Charity, the bank or building society should be paying any interest on those funds on a "gross" basis (that is to say before the deduction of basic rate tax).

If any Honorary Treasurer has difficulty in ensuring that its bank or building society pays interest gross on its funds, please contact CIBSE who will be happy to advise on the actions necessary or to correspond direct with the bank or the building society involved.

Different taxation rules may apply for Regions outside the UK where the Region has any kind of formal legal status (e.g. is a separate company or charity) in that country.