



# MANAGING YOUR VAT

VAT is a significant cost to the charity sector. It is also regularly changing due to evolving rules in both the EU and the UK. This can affect how your charity generates its funding and carries out its various activities. Regularly reviewing your VAT affairs ensures risks are managed and all available opportunities are identified and maximised.

**HM Revenue and Customs (HMRC) requires that VAT accounting systems have adequate controls and processes in place to show they are applying 'reasonable care'. This means having a robust and efficient VAT accounting system, while applying a practical approach.**

Every charity is unique so our approach is tailored to meet your particular needs.

Our VAT health check identifies existing or potential issues and establishes any opportunities. This helps us address them quickly and efficiently with little disruption to your day-to-day activities.



## Here's what we could do for you:

- Explain and advise on HMRC's recently issued guidance regarding the VAT treatment of grants versus contracts for services
- Review partial exemption and business/non-business methods to ensure they are fit for purpose and whether the methods need revising to increase VAT recoveries
- Look at funding agreements and proposals for carrying out fundraising events to maximise the funding for the charity. Also, minimise irrecoverable VAT and potential VAT liabilities
- Assess property transactions to highlight ways of making VAT savings and allow for all available VAT reliefs to be claimed
- Assist in preparing for a VAT inspection by HMRC and carrying out a mock inspection to highlight any areas for improvement.

## OUR TAX HEALTH CHECK FOR CHARITIES

Our tax experts at Moore Kingston Smith understand the issues faced by charities. To help your organisation overcome the issues that are often misunderstood, we are offering a tax health check on the three most common areas that charities struggle with: employment tax, value-added tax and Gift Aid.

Our health check will ensure that you are:

- Following the rules and understanding them
- Paying the right amount of tax
- Maximising all opportunities, including those potentially saving you money.

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## CONTACT US

To find out how our team of experts can help your charity, get in touch for a free no-obligation meeting. Speak to the tax team directly on **020 7566 4000**.

Find out more about our tax offerings at [www.mks.co.uk/tax](http://www.mks.co.uk/tax)



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