



Department of Education  
Rathgael House Balloo Road Bangor Co Down BT19 2PR

Telephone: Bangor 466311

To the Trustees of each  
Voluntary School

22  
March 1985

**VALUE ADDED TAX**

1. As a result of the changes announced in March 1984, in regard to the regulations governing Value Added Tax (VAT), the majority of capital projects grant-aided by this Department are now, for the first time, either totally or partially subject to standard rating for VAT.

2. It has come to the Department's notice that many projects are not being administered properly by the employer/grant claimant or project consultants in relation to the payment of VAT. For example, on major schemes VAT invoices are not in accordance with the VAT agreement within the conditions of contract. In other cases details of VAT charges are not being identified separately from contract expenditure and insufficient information is being provided.

3. Claimants should note that in order to qualify for grant on VAT charges ON ANY SCHEME they must comply with the following conditions:-

i. The claimant must not be registered for VAT.

ii. A receipt must be submitted to the Department of the kind referred to in Regulation 21(2) of the Value Added Tax (General) Regulations 1972 (SI 1972 No 1147). In brief the receipts must contain the contractor's name, address, contractor's registration number, value of the services provided and the rate and amount of tax chargeable. (The regulations are obtainable from Her Majesty's Stationery Office, Order Number SBN 11 021147 2, price 18p net).

4. Claimants are reminded that they have the right to request the contractor to obtain a decision by the Commissioners of Customs and Excise on the tax properly chargeable on the contract.

J D ALLEN