

# NORTON PARISH COUNCIL

## VALUE ADDED TAX

1.1 A Council can claim a refund of VAT it incurs on the following conditions:

- It places the order for the goods or service
- It receives the supply
- It receives a tax invoice made out to the council from the supplier
- It pays for the goods or service from its own funds.

1.2 The Council cannot claim a refund of VAT on purchases made with funds provided by another body for the benefit of that body (i.e. village hall committee give the council money which the council spends for the benefit of the village hall and reclaims the VAT). However, if funds are raised locally for a specific project, those funds can be donated to the Council and the Council may reclaim the VAT on purchase made with those funds, provided that:

- It places the order for the goods or service
- It receives the supply
- It receives a tax invoice made out to the council from the supplier
- It remains the owner of the goods or services
- It uses them for its own non-business purpose
- It keeps sufficient records to enable the goods or services to be easily identified, as well as the reason for buying them.

Reviewed by Norton Parish Council on 3<sup>rd</sup> February 2020