## Guide to VAT at the University

## A summary guide to VAT at the University

ntroduction	1
VAT Registration	2
VAT on Income	2
VAT on Expenditure	2
Responsibility for VAT	3
Advice	4
Summary of contact names:	4

As an educational charity the University is entitled to certain exemptions and reliefs in respect of VAT, but this does not mean it can ignore VAT. Like any business it must charge VAT where applicable on its income and pay VAT on many of its purchases. Also, it must submit quarterly VAT returns. VAT is a significant cost to the University because it can recover only a small proportion of the VAT it incurs.

VAT law is complicated and the information below is only a very brief guide. Many VAT rules are subject to exceptions. More information is available in the VAT A to Z Guide.

## **Guide to VAT at the University** – Finance-Specialist Accounting-Tax

The VAT registration number of the University is GB 200 0126 59. Other University entities that are registered for VAT in the UK are: Henley Business School Limited GB 996 8987 06, Thames Valley Science Park Limited GB 209 5970 84, and Reading Real Estate Foundation GB 861 4155 33.

Fees for courses provided by the University are exempt from VAT.

OFS and other grants are "outside the scope" of VAT.

There is no VAT on research grants, e.g., from Research Councils because they are outside the scope of VAT. Normally research contracts with Government departments or charities will be outside the scope of VAT, but the contracts will require review to ensure that the University is not supplying services. Normally research contracts with commercial sponsors are subject to VAT.

Normally consultancy services are subject to VAT, irrespective of who the customer is.

Where consultancy or research services are supplied to business customers outside the UK, please use sales tax code SZ for the income.

