



## **GSA PTA VAT Guide**

### **Introduction**

This guide explains how VAT (Value Added Tax) applies to our PTA activities. As a PTA, we are not VAT exempt, which means we must pay VAT on purchases and cannot claim it back. However, many of our activities have special considerations.

### **VAT Registration**

- PTAs do not need to register for VAT unless taxable income (excluding fundraising income) exceeds £90,000
- Most PTA activities are considered fundraising and therefore excluded from this calculation

### **Common PTA Activities and VAT Implications**

#### **Fundraising Events**

The following events are typically considered fundraising and income from them is excluded from VAT calculations:

- School discos
- Summer fayres
- Non-uniform days
- Raffles and tombolas
- Christmas fairs
- Sports days

#### **Second -hand Uniform Sales**

- Sale of donated second -hand uniforms is VAT -free
- No need to charge VAT on these sales

#### **Food Sales (Cake Sales, Refreshments)**

- Most basic food items are zero -rated for VAT
- Homemade cakes and baked goods sold at PTA events don't require VAT
- Tea, coffee, and soft drinks served at events are part of fundraising activities

#### **When Buying Items for Events Remember:**

- We must pay VAT on purchases and cannot claim it back • This includes items like:
  - Disco equipment
  - Decorations
  - Supplies for events
  - PTA storage equipment
  - Printed materials

### **Working with the School to Save VAT**

When buying equipment or resources for the school, we can save money through proper collaboration. Here is the correct process:

1. PTA agrees to fund specific item(s)
2. PTA donates the cost (minus VAT) to the school



3. School purchases the item directly
4. School reclaims the VAT
5. School provides receipt to PTA for our records

**Important Requirements - The school must:**

- Place the order themselves
- Receive the delivery
- Have the VAT invoice addressed to them
- Pay the invoice directly
- Remain the owner of the goods
- Keep proper records for HMRC

**What We Cannot Do:**

- Ask the school to buy items and claim VAT on our behalf
- Pay the invoice for the school
- Be invoiced by the school
- Purchase items ourselves and try to claim VAT through the school

**Items That Always Require VAT Payment:**

- Items we purchase to run events
- Fundraising materials (e.g., tea towels, Christmas cards)
- PTA equipment (e.g., shed, storage)
- Items we buy and donate to the school

**Record Keeping**

- Keep all receipts and invoices
- Note which items include VAT
- Maintain clear records of donations to school for purchases
- Keep copies of school receipts for items purchased through them

**Questions or Concerns?**

If you're unsure about VAT implications for any PTA activity:

1. Discuss with the committee
2. Consult with HMRC directly
3. Consider seeking advice from a qualified tax accountant for complex situations

Remember: This guide is for general information. Tax laws can change, and specific situations might need professional advice.

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