

## Academy income streams and associated VAT liabilities

Income Stream	Business/Non-business	VAT Treatment of business income
Administration and management services	Business	Standard rated
Admission charges to theatrical, musical or choreographic performance of a cultural nature	Business	Exempt if cultural exemption applies or fundraising exemption applies – otherwise standard rated
Advertising income from businesses	Business	Standard rated
Advertising income from charities	Business	Zero rated on production of evidence of status as charity
After school and breakfast clubs (8am-6pm) at or below cost	Non-business	Non-business
Bank interest	Non-business	Do not include in VAT recovery calculations as considered incidental finance income
Car parking charges to students at or below cost	Non-business	Non-business
Car parking charges to staff/general public	Business	Standard rated
Charged-for adult education	Business	Exempt
Charges for school entertainment events e.g proms	Non-business	Provided only pupils attend and charged at/below cost. Otherwise standard rated
Charges made for education	Business	Exempt
Consultancy income	Business	Standard rated
Donations On behalf of third party	Non-business	Exclude from income in calculation
Donations	Non-business	Non-business
Educational School Trips provided at or below cost	Non-business	If profit made, then business and special tour operators margin scheme may apply
ESFA Grants	Non-business	

<b>Fundraising events</b>	Business	Exempt providing the charity fundraising event criteria are met
<b>General merchandising, memorabilia e.g. crosses</b>	Business	Standard rated
<b>Letting of car park to third party for car parking</b>	Business	Standard rated
<b>Letting of general rooms including provision of refreshments</b>	Business	Exempt, unless option to tax made (in which case standard rated) for room and standard rated for catering if charged separately, otherwise wholly exempt
<b>Letting of sports facilities to anyone for continuous period of over 24 hours or to school/club/association where the block booking conditions are met</b>	Business	Exempt
<b>Letting of sports facilities for booking by individuals from the public, informal group or not for profit organisation.</b>	Business	Exempt
<b>Letting of sports facilities where above do not apply</b>	Business	Standard rated
<b>Meals and other catering provided to non-pupils including teaching staff</b>	Business	Standard rated if hot food/drink or for on premises consumption. Some scope for zero rating if for off premises consumption
<b>Merchandise sold to pupils for use in the classroom, e.g. calculators, pencils etc</b>	Non-business at or below cost	Otherwise standard rated
<b>Musical instrument hire schemes (AIPS)</b>	Non-business where music tuition also supplied	Otherwise standard-rated
<b>Sale of books</b>	Non-business at or below cost	Otherwise business - zero rated
<b>Sale of School uniform</b>	Business	Zero rated for clothing up to size age 14 Otherwise standard rated  Also, zero rated for logoed clothing of any size for school who has pupils up to the age of 14
<b>School meals provided to pupils at or below cost</b>	Non-business	
<b>School photograph commission</b>	Business	Standard rated

<b>Sponsorship</b>	Business	Standard rated, unless part of a charity fund-raising event (in which case exempt)
<b>Student accommodation/boarding provided above cost</b>	Business	Exempt
<b>Student accommodation/boarding provided at or below cost</b>	Non-business	
<b>Supply of non-teaching staff e.g. Admin, IT, maintenance, grounds men, accounts</b>	Business	Standard rated
<b>Supply of staff to other organisations where staff member comes under control of recipient</b>	Business	Standard rated (but check to see if concession exists)
<b>Supply of teaching staff to other schools for teaching students</b>	Non-business	
<b>Supply of teaching staff to provide non-educational services e.g. Timetabling, consultancy</b>	Business	Standard rated
<b>Tuck shops</b>	Non-business as long as to pupils at/below cost	
<b>Vocational training</b>	Business where profit made	Exempt

The above guidance relates to supplies made by an academy. Supplies made by a subsidiary may be different.

This document contains general information and is not intended to be a complete statement applicable to every academy. If you would like advice specific to your academy, please contact us directly.