**RULES REGARDING THE USE OF ZERO RATING CERTIFICATES FOR PURCHASING ADVERTISING**

As the University has charitable status, it is able to benefit from VAT relief when purchasing advertising services on any subject, including staff recruitment (Zero Rate Group 15, 8 or 8A). The charity may advertise in any medium which communicates with the public provided it is placed on someone else’s space or time.

The supply of designing or producing an advertisement also qualifies for the relief (Zero Rate Group 15, 8B or 8C). This includes the design of a poster or the filming of an advertisement to be broadcast. It also includes goods closely related to the design for example a photograph or image to include in an advertisement.

|  |  |
| --- | --- |
| Qualifying supplies | Non qualifying supplies |
| Advert in newspapers/publicationsAdvert on TV, radio, cinemaAdvert on a websiteAdvert on billboards, buses, calendars etcDesign and production of advertsAdvertising posters and banners displayed on someone else’s property | Adverts on university websiteCosts relating to university websiteCommemorative itemsDirect marketing/telesalesCosts relating to creation of own advertsPosters and banners for display on university property. |

In addition to the VAT relief for supplies of advertising there is an Extra Statutory Concession that allows certain goods to be zero rated when used by a charity in connection with collecting donations.

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| --- | --- |
| Qualifying goods | Non qualifying goods |
| Collecting envelopesPre-printed appeal lettersEnvelopes used to send out appeal lettersCollecting boxes, containers and specially designed bucketsLapel stickers and badges to be given free to donors | General stationeryGeneral purpose bucketPin badges sold to raise money |

**Use of VAT Certificates in Oracle**

If you wish to select an item as eligible for VAT zero-rating under these conditions, you must select “Advertising - External” in the appropriate drop down box in the Cart in Oracle.

Once selected, currently you must complete the University VAT Zero-Rate Certificate (linked in Purchasing News), save it and attach it to your requisition. This will then be attached to the Purchase Order which gets sent to your supplier in order to indicate that no VAT must be charged.

The certificate must also be attached for all purchases from both EU and non EU suppliers where you consider that the item is eligible for relief. This will ensure that no Reverse Charge VAT is added to the cost of your item at the point of payment.

If in doubt or you require further clarification, please contact the following for further advice;

VAT Team:

Georgina Romano

g.j.romano@bham.ac.uk

x46100

Heather Williams

h.r.williams@bham.ac.uk

x46003

VAThelpdesk@contacts.bham.ac.uk