BENEFITS OF SPECIAL TAX STATUS

SUMMARY

Since Covid-19 struck many club and league volunteers have been busy away from the pitch updating websites, reviewing policies and reducing that ever-expanding ‘to do’ list.

This was no different for Brian Crinigan, secretary of Rugby Borough FC, where he began to explore how the club could maximise its special tax status through the claiming of Gift Aid.

The club has held its special tax status for a number of seasons, but when deciding what options were right for them they followed the three simple steps below:

1. REVIEW THE DIFFERENT LEGAL STRUCTURES AND SPECIAL TAX STATUS AVAILABLE TO YOUR CLUB OR LEAGUE

2. LOOK TO APPLY AND IMPLEMENT THE CHosen STRUCTURE AND/OR SPECIAL TAX STATUS

3. MAXIMISE THE BENEFITS FROM YOUR CHOSEN LEGAL STRUCTURE AND SPECIAL TAX STATUS

“The Unincorporated clubs and leagues (i.e. those who have just a constitution and bank account) should look at their legal structure. Other options could open up a whole range of doors and bring so many benefits into your club or league. The FA’s legal helpline, operated by Muckle LLP, has been a great benefit over the years – and the even bigger benefit is that parts of it are free.”

Brian Crinigan, secretary of Rugby Borough FC

GUIDANCE

The FA has commissioned Muckle LLP to support FA Charter Standard Clubs with legal advice and guidance on a number of matters, including legal structures and special tax status. More information can be found here.

The club has been a Community Amateur Sports Club (CASC) for eight years now.

Being a club that is structured in this ways allows the club to benefit from:

- Tax relief on income, gains and profits from some activities;
- Gift Aid repayments on donations;
- Business rates relief.
“One of the main reasons we explored becoming a CASC was for the benefits it could provide in rates’ reductions and an increase in income via Gift Aid.” Brian Crinigan, secretary Rugby Borough FC

**WHY?**

One area the club was not maximising effectively was Gift Aid repayments. The club were missing out on the opportunity to claim back 25p every time an individual donated a £1.

The club recognised that a large proportion of money could be claimed and redirected back into the club, to support further participation growth from the local area. The additional income could also assist with facility and pitch maintenance or be used towards a project which could have an impact on the entire community of Rugby.

The possibilities for additional opportunities were endless, but there was a need to understand how this could be implemented correctly.

The club used an FA-commissioned service (Muckle LLP). The service helped the club understand what to correctly claim and how to complete the claims in accordance with HMRC. The club used this as an opportunity to educate all its committee members to become less reliant on the service and become confident in making future claims themselves.

The main area where the club looked to make a Gift Aid claim was on donations made from volunteers to the club from expenses the club had paid them.

Support was given to coaches to help them complete the appropriate paperwork and rightly claim the expenses they had incurred. The claims were audited to ensure they were a true reflection and then the monies owed were paid directly to the volunteer.

The volunteer then donated the money back to the club and this donation allowed the club to justifiably claim Gift Aid on the donation.

As a result of the guidance provided by The FA-commissioned service, the learnings the club committee gained and the collective support from across the club, a total of £37,841.33 has been claimed back in Gift Aid from a total of 93 volunteers over a four-year period.

The club have vowed to now complete this process annually.

**Rugby Borough Football Club**

**The goal:** To develop a self-sufficient, sustainable club at the centre of the local community, attracting and serving football and social users and providing a facility to benefit the entire local community.

**No. of teams:** 78 teams from under-7s through to vets, including female and disability teams.

**Diversity:** 14 of the 78 teams are female-specific teams, with a further two teams for players with a disability.

**Volunteers:** A total of 83 volunteers currently support the club.

**Location and facilities:** Based at a 35-acre site with multiple grass pitches, a 3G floodlit main pitch and clubhouse.

Interested in finding out more about how your club or league can become a CASC or charity? Or does your club or league already have a special tax status but you want to find out more around how to maximise Gift Aid? Please click this link: