

CHILBOLTON PARISH COUNCIL
PART-FUNDED GRANTS PROCEDURE FOR PURCHASES ON BEHALF OF THE VILLAGE HALL

Last review: Oct 2024 Review: Sept 2025 Next review: Sept 2026

According to s.33 of the VAT Act 1994, the parish council may purchase equipment or building materials or pay for building work for a village hall and reclaim the VAT, provided that the following conditions are met: -

- a) The goods and services are ordered by and supplied to the council in its own name (with the VAT invoice made out in the name of the council);
- b) The goods and services are paid for out of the council's own funds
- c) The council gives or loans the goods or service to the village hall and does not recover any of its costs from the village hall committee or from a private individual or other voluntary body that obtains any direct sole benefit from the use of those goods and services;
- d) Where a project is part funded by the village hall, the council contract to carry out a specified part of the work or to purchase specified materials *before* the project commences.

Therefore, the procedure for part funded grants is as follows: -

- 1) The Village Hall Management Committee (VHMC) is to apply in writing to the council, no less than two weeks prior to a full Parish Council meeting and prior to any purchase, giving the following information: -
 - a) Item or service to be purchased and reason/s why;
 - b) A full detailed quote from the supplier;
 - c) Identify which specified part of the purchase or supply of service the VHMC requires financial assistance from the council.
- 2) The council will consider the application at the next full council meeting following receipt of the application and will limit any contribution to 20% of the overall purchase.
- 3) If approved, the Clerk of the parish council shall inform the VHMC as to the amount the council has agreed to fund and issue an offer of grant letter to be signed by the VHMC and returned to the Clerk of the parish council.
- 4) Upon receipt of the signed offer of grant letter, the full order for the supply of the goods or services shall be placed by the clerk of the council and ensure that the supplier is aware that the VAT invoice shall be in the name of the parish council.
- 5) The parish council will pay for the goods or services out of its own funds.
- 6) The parish council will invoice the VHMC for any amount above that of the agreed part funded value.
- 7) The VHMC will pay the parish council's invoice within 28 days.