

APPENDIX 5

Guidance Note Boards of Management

Relevant Contracts Tax/Value Added Tax

Boards of Management can be involved in a range of activities including: Construction Projects, Summer Works, Emergency Works, Major Devolved Projects, Additional Accommodation Schemes as well as day to day repairs that bring them within the scope of Relevant Contracts Tax (RCT) and, as a consequence, Value Added Tax (VAT).

It is important that boards are aware of and understand their obligations in relation to these taxes. This note sets out to give general guidance to boards on RCT, how it can apply to contracts entered into by the board, how RCT operates and why VAT must be accounted for by the board.

Revised August 2016

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