Charities and sports bodies on-line applications for tax exemption

Guidelines Manual

Part 07-01-07

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Note: This manual is currently subject to review and may not reflect up-to-date position. Most recent version.

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

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1 Introduction

Following the development of a new system on Revenue's Online Service (ROS), charities and sports bodies can now make on-line applications for:

- tax exemption for resident charities
- tax exemption for non-resident charities
- tax exemption for sports bodies
- the Charitable Donation Scheme
- notice to Revenue of winding up.

All applications must be made using ROS.

1.1 This Manual

This Tax and Duty Manual contains information and guidance for bodies making an application to Revenue for any of the above exemptions/reliefs.

2 Revenue website

Further information regarding tax exemption for charities and sports bodies is available on here and in the following Tax and Duty Manuals (TDM):

Charities Tax Exemption TDM Part 07-01-06

Sports Bodies Tax Exemption TDM Part 07-03-08.

3 How to register for ROS

To become a ROS customer, go to Useful Links on www.ros.ie.

Applications listed in paragraph 1 of this Manual can be made by a charity or sports body or by an agent on behalf of either body. For an agent to make an on-line application, the agent must be linked on Revenue's records to the applicant charity or sports body. If an agent is not already linked, this can be done by accessing agent services in ROS.

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4 Resident charities and applications for tax exemption

4.1 Eligibility

To be eligible to apply for charitable tax exemption, a resident charity must:

- be registered for Revenue's Online Service (ROS)
- be registered for tax with Revenue
- be registered with the Charities Regulator.

4.2 Where to apply on ROS

Applications must be submitted through ROS by going to the following:

- "My Services"
- "Other Services"
- "Charities and Sports Bodies eApplications".

See Annex I of this Manual for further information on how to apply.

4.3 Documentation required

The following documentation must be attached with an application

- a signed and dated copy of the latest financial accounts or statement which includes a detailed breakdown of income and expenditure or details of the charity's financial plans
- a statement of the activities and plans of the charity
- a copy of the charity's constitution i.e. Governing Instrument approved by the Charities Regulator.

Revenue's Charities and Sports Exemptions Unit may request further documents to support your application.

4.4 Granting of tax exemption

When an application has been submitted, its progress can be monitored through ROS and all Revenue notifications regarding an application will issue through the applicants' ROS Inbox.

Note: This manual may not reflect current Revenue practice. It is subject to review and repositioning.

5 Non-resident charities and applications for tax exemption

5.1 Eligibility

Non-resident charities can make an application for tax exemption.

To be eligible, a non-resident charity must be:

- established in a State in the European Economic Area (EEA) or
- established in a Member State of the European Free Trade Association (EFTA).

Furthermore, the non-resident charity must:

- be registered for Irish tax with Revenue by completing one of the following forms:

  TR1 unincorporated body

  TR2 company
- contact the Charities Regulator and where appropriate, apply to register with that Regulator.

5.2 Where to apply on ROS

Applications must be submitted through ROS by going to the following:

- "My Services"
- "Other Services"
- "Charities and Sport Bodies eApplications".

See Annex I of this Manual for further information on how to apply.

5.3 Documentation required

The following documentation must be uploaded with an application:

- Registered Charity Number (RCN) issued by the Charities Regulator (CRA), or a copy of communication from CRA confirming that a RCN is not required
- a copy of the charity's constitution
- a statement of the charity's activities to date, and its plans for the next 12 months

- a signed and dated copy of the latest financial statement or accounts which includes a detailed breakdown of income and expenditure or details of the charity's financial plans
- a sworn affidavit completed by the treasurer, trustee or any duly authorised agent
- a letter of residence from the charity's own foreign tax authority.

Revenue's Charities and Sports Exemptions Unit may request additional documentation to support your application.

5.4 Granting of tax exemption

When an application has been submitted, its progress can be monitored through ROS and all Revenue notifications regarding an application will issue through the applicants' ROS Inbox.

6 Sports bodies and application for tax exemption

6.1 Eligibility

To be eligible to apply for tax exemption, a sports body must be:

- registered for tax with Revenue
- legally established, managed and controlled in the State
- member controlled and owned
- have a minimum of three officers or directors the majority of whom are unrelated, independent and resident in the State
- have a constitution that contains Revenue's standard clauses for unincorporated bodies or incorporated bodies.

6.2 Where to apply on ROS

Applications must be submitted through ROS by going to the following:

- "My Services"
- "Other Services"
- "Charities and Sport Bodies eApplications".

See Annex II of this Manual for further information on how to apply.

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6.3 Documentation required

The following documentation should be uploaded with the application:

- a signed and dated copy of the latest financial statement or accounts which includes a detailed breakdown of income and expenditure or details of the sports body's financial plans
- a statement of activities. This statement must include details of:
    - the activities carried out by the body
    - the facilities of the sports body
    - the properties owned, leased or rented by the body
    - the coaching and training that is provided
    - any payments that are made to coaches and trainers.
- a copy of the body's Constitution / Governing Instrument. If the sports body does not already have this, it must adopt one. For reference and guidance purposes only, Revenue has provided templates of Model Constitutions for both unincorporated or incorporated bodies are available at www.revenue.ie. Applicants should of course acquire their own legal advice as necessary when adopting their Constitution / Governing Instrument.

Revenue's Charities and Sports Exemptions Unit may request further documentation to support your application.

6.4 Granting of tax exemption

When an application has been submitted, its progress can be monitored through ROS and all Revenue notifications regarding an application will issue through the applicants' ROS Inbox.

7 Charitable Donation Scheme (CDS)

If a charity wishes to apply to operate the Charitable Donation Scheme it must hold charitable exemption for at least two years.

7.1 Where to apply on ROS

Applications must be submitted through ROS by going to the following:

- "My Services"
- "Other Services"
- "Charities and Sports Bodies eApplications".

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See Annex III of this Manual for further information on how to apply.

7.2 Documentation required

The following documentation should be uploaded with the application:

- a signed and dated copy of the latest financial accounts including a breakdown of income and expenditure
- latest annual report, or details of recent activities carried out by the charity.

The latest financial accounts must be signed by two trustees if the annual income is less than €250,000 and must be audited and signed by the body's external auditor if the annual income is greater than €250,000.

7.3 Granting of CDS authorisation

When an application has been submitted, its progress can be monitored through ROS and all Revenue notifications regarding an application will issue through the applicants' ROS Inbox.

Authorisation to operate the Charitable Donation Scheme will be valid for a period of five years. Application to renew your authorisation should be made through ROS.

7.4 Approved bodies

If a body is one of those listed below, it is automatically approved and so, to operate the Charitable Donations Scheme, a CDS Tax Registration Form should be completed and sent to Charities and Sports Exemptions Unit through MyEnquiries on ROS:

- primary, second and third level institutions which have programmes approved by the Minister for Education and Skills
- institutions that provide courses which are certified by Quality and Qualifications Ireland (QQI)
- institutes that are approved for Education in the Arts by the Minister for Finance
- organisations that promote human rights as detailed under Section 209 Taxes Consolidation Act 1997.

7.5 Schools

A school with a Roll Number that has been granted charitable tax exemption, is automatically registered for CDS and can submit claims under the Charitable Donations Scheme.

8 Withdrawal of tax exemption

8.1 Withdrawal of charitable tax exemption

Revenue may withdraw charitable tax exemption in a number of circumstances, including but not limited to where :

- a charity is winding up
- a charity is a limited company and has been dissolved by the Companies Registration Office (CRO)
- a charity is in liquidation
- a charity is not engaging with Revenue. For example, a charity has an outstanding tax liability or has not provided accounts or other documentation as requested.
- a charity is unable to carry out its charitable purpose and has ceased activities
- Revenue determines that a charity is no longer eligible for tax exemption
- a charity is no longer a registered with the Charities Regulatory Authority (CRA).

Notifications to the CRA

Revenue will notify the Charities Regulatory Authority (CRA) where charitable tax exemption has been withdrawn.

Withdrawal process

Revenue will assist a charity with its tax obligations and withdraw its tax exemption if it is aware that the charity is:

- in the process of winding up
- a limited company that has been dissolved

or

- in liquidation.

Revenue may determine that a tax exemption no longer applies due to:

- a charity not engaging with Revenue

- a charity being unable to carry out its charitable purpose and has ceased activities
- a charity no longer being a registered charity with the CRA.

If Revenue determines that tax exemption no longer applies, the following process will apply:

- Revenue will issue a written determination regarding the reasons for withdrawal of tax exemption
- Revenue will grant the charity a period of 21 days to provide supporting documentation in relation to a claim for tax exemption
- Revenue will issue a formal determination withdrawing the tax exemption if after 21 days:
  - the charity has not engaged with Revenue

  or

  - has not provided the requested information

  or

  - following the provision of additional information, it remains Revenue's belief that the tax exemption should be withdrawn.

If after this process Revenue determines that the tax exemption can continue, this will be confirmed in writing to the charity.

Appeal decision to withdraw tax exemption

Revenue's decision to withdraw tax exemption can be appealed. This can be done by appealing directly to the Tax Appeals Commission (TAC) within 30 days of the issue of Revenue's formal determination.

8.2 Withdrawal of sports tax exemption

Revenue may withdraw sports tax exemption in a number of circumstances, including but not limited to when:

- a sports body is winding up
- a sports body is a limited company and has been dissolved by the Companies Registration Office (CRO)
- a sports body is in liquidation

- a sports body is not engaging with Revenue. For example, a sports body has an outstanding tax liability or has not provided accounts or other documentation as requested.
- a sports body is unable to carry out its objective and has ceased activities
- Revenue determines that a sports body is no longer eligible for tax exemption.

Withdrawal process

Revenue will assist a sports body with its tax obligations and withdraw its tax exemption if it is aware that the sports body is:

- in the process of winding up
- a limited company that has been dissolved

or

- in liquidation.

Revenue may determine that tax exemption no longer applies due to:

- a sports body not engaging with Revenue
- a sports body being unable to carry out its sports purpose and has ceased activities.

If Revenue determines that tax exemption no longer applies, the following processes will apply:

- Revenue will issue a written determination regarding the reasons for withdrawal of tax exemption
- Revenue will grant a sports body a period of 21 days to provide supporting documentation in relation to a claim for tax exemption
- Revenue will issue a formal determination withdrawing the tax exemption if after 21 days:
    - a sports body has not engaged with Revenue

      or

    - has not provided the requested information

      or

- following the provision of additional information, it remains Revenue's belief that the tax exemption should be withdrawn.

If after this process Revenue determines that the tax exemption can continue, this will be confirmed in writing to the sports body.

Appeal decision to withdraw tax exemption

Revenue's decision to withdraw tax exemption can be appealed. This can be done by appealing directly to the Tax Appeals Commission (TAC) within 30 days of the issue of Revenue's formal determination.

9 Winding Up

9.1 Charities

If a charity is unable to carry out its charitable purpose, it must:

- advise the Charities and Sports Exemptions Unit through ROS and outline plans for the charity
- complete a Notice to Revenue of Winding Up through ROS attaching:
  - a final set of accounts at the time of cessation
  - confirmation of the recipients of any residual funds or assets.

See Annex IV of this Manual for further information.

9.2 Sports Bodies

If a sports body is winding up or it is unable to promote the game or sport for which it was established , it must advise the Charities and Sports Exemptions Unit.

In this situation, a Notice of Winding Up must be completed and submitted through ROS.

The following attachments must accompany a submission:

- the final set of annual accounts for the sports body
- details of how the sports body distributed its residual funds and assets.

See Annex IV of this Manual for further information.

10 Queries

Any questions regarding the contents of this Manual can be directed to Charities and Sports Exemptions Unit using Revenue's My Enquiries facility, or by telephone at 01 738 3688.

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Annex I

How to apply for charitable tax exemption on ROS

- log into ROS at www.ros.ie
- input password and select Login
- on My services tab scroll to page end
- under Other Services select Charities and Sports Bodies e-applications
- submit a new application
- select a body and then a form type
  - CHY1
  - DCHY1
- Overview
- Section A Details Screen
- Section B Officers/Directors
- Section C Attachments Screen
- complete Declaration
  - enter name, position in charity and phone number
  - submit
- summary screen

You can view or edit your application by returning to the Welcome screen; select previous applications

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Annex II

How to apply for tax exemption for a sports body on ROS

- log into ROS at www.ros.ie
- input password and select Login
- on My services tab scroll to page end
- under Other Services select Charities and Sports Bodies e-applications
- submit a new application
- select a body and then a form type
  - GS1
- Overview
- Section A Details Screen
- Section B Officers/Directors
- Section C Attachments Screen
- complete Declaration
  - enter name, position in Sports Body and phone number
  - submit
- summary screen

You can view or edit your application by returning to the Welcome screen; select previous applications.

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Annex III

How to apply for authorisation to operate the Charitable Donation Scheme on ROS

- log into ROS at www.ros.ie
- input password and select login
- on MyServices tab scroll to page end
- under Other Services select Charities and Sports Bodies eApplications
- submit a new application
- select CDS Authorisation
- Section A Details Screen
- Section B Officers/Directors
- Section C Attachments Screen
- complete Declaration
  - enter name, position in Charity and phone number
  - submit
- summary screen

You can view or edit your application by returning to the Welcome screen; select previous applications.

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Annex IV

How to submit a Charity Winding Up Notice to Revenue

- log into ROS at www.ros.ie
- input password and select login
- on MyServices tab scroll to page end
- under Other Services select Charities and Sports Bodies eApplications
- submit a new application
- select Notice of Winding Up
- complete the required fields
- attach the required documentation
- complete Declaration
  - enter name, position in charity and phone number
  - submit

You can view or edit your application by returning to the Welcome screen; select previous applications.

How to submit a Sports Body Winding Up Notice to Revenue

- log into ROS at www.ros.ie
- input password and select login
- on MyServices tab scroll to page end
- under Other Services select Charities and Sports Bodies eApplications
- submit a new application
- select Notice of Winding Up
- complete the required fields
- attach the required documentation
- complete Declaration
  - enter name, position in sports body and phone number
  - submit

You can view or edit your application by returning to the Welcome screen; select previous applications.

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