

Leigh Christou

Charities and not-for-profit sector in focus

HMRC has begun piloting a new programme of structured risk reviews (SRRs) across the charity and not-for-profit sectors. These reviews are led by its temporary customer compliance managers, working alongside specialist teams to assess areas such as tax compliance behaviours, internal governance and financial systems.

The department said taxpayers selected for a review are notified at the earliest opportunity, typically during the 'getting to know your customer' stage of the process, ensuring transparency from the outset.

An HMRC spokesperson said: 'We are working collaboratively with charities and not-for-profit organisations to help them get their tax right and we take this same approach with a number of different customer groups.'

The new approach is designed to both recover 'lost' taxes and interest and further understand how the sector operates.

We expect payrolls, tax returns, VAT returns and gift aid claims to be examined in detail to see whether they correlate with public statements and whether tax has been underpaid. This is likely to pick up a great deal of data which was previously not considered and, as a result, even minor discrepancies, inconsistencies, or unusual patterns can prompt a review.

In view of this greater focus on the Charity and not for profit sector, we would urge you to consider taking out our fee protection insurance, which insures the cost of dealing with any VAT, PAYE or other tax inquiries or reviews, details of which will be forwarded to you shortly.

**Should you have any queries,
please do not hesitate to contact us**

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