

Community Amateur Sports Club status

As we all know sports clubs, as with most other bodies and organisations, are having to deal with the tough economic conditions. One option for increasing revenue may lie in the granting of "Community Amateur Sports Club" (CASC) status.

If a sports club is registered with HM Revenue & Customs (HMRC) as a CASC, it may qualify for a number of tax advantages. These include claiming tax relief on gift aid donations and relief on corporation tax and non-domestic rates. Sports clubs are subject to the corporation tax rules even if they do not have company status.

How do you achieve CASC status?

First things first. Look at the section on the HMRC website on CASC status: www.hmrc.gov.uk A list of sports clubs who already have CASC status and a list of eligible sports can also be found on the HMRC website. There is also a telephone helpline if you have further questions. I have found the persons manning this helpline to be both helpful and knowledgeable.

The next step is to discuss CASC status with your club or committee members. The amount of work required must not be underestimated. I would also recommend doing a cost benefit analysis. Start by looking at the club's level of donations over the last few years. Then calculate how much tax the club could have reclaimed or saved.

If a club wishes to register as a CASC it will need to apply to the HMRC CASC Unit using the CASC application form. The form can be found on the HMRC website and is fairly straightforward. The guidance notes which form part of the form are also very useful. Most of the work to be undertaken involves verifying that the club meets the various qualifying conditions.

On receipt of the application, the HMRC CASC Unit will decide whether a club meets all the conditions for registration. If any of the conditions have not been met HMRC will write to the club and outline what needs to be done to meet all of the conditions. Once registered, HMRC will include a club's details in a list of all registered clubs on its website.

If the changes to the governing document were in draft form only they will have to be ratified at a club AGM or EGM before HMRC will formally grant CASC status.

I have found that the process takes around a year. Once granted a club can then make regular Gift Aid claims to HMRC.

CASC is not for everyone and takes a bit of effort to achieve. That said, the benefit can be thousands of pounds per year. In these tough economic times that could make a great deal of difference to a club's turnover. Given the potential importance of this relief I have asked the Scottish Government to put some more information on its website about CASC status.

James Aitken
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