

Energy guide for charities and non-profit organisations

Find out whether your charity could save money on energy bills with our short guide.

Most charities - whether they're registered or not - qualify for a reduced 5% Value Added Tax (VAT) rate and exemption from Climate Change Levy* (CCL) on their energy bills.

This usually knocks about a fifth off the total cost but the onus is on you to tell your energy supplier about your eligibility, otherwise you may be missing out. If you have been over paying, the good news is that you can also claim a rebate for the past four years - either from your supplier or from HMRC.

Make It Cheaper research shows that 46% of charities didn't know about the reduced VAT rate and CCL exemption - and 69% were unaware of the rebates.

The largest rebate received by a Make It Cheaper customer to date (June 2014) is **£115,000**, which was received by a school that had been incorrectly charged for VAT and CCL on its gas consumption for three years.

Common scenarios for incorrect VAT

- Switching energy supplier or renewing your contract.
- Changing the name of your organisation.
- Changing legal entity - for example, schools leaving Local Authority control to become academies or free schools.

Who qualifies for reduced VAT and CCL exemption?

- Charities.**
- Care homes.
- Free schools and academies.
- Student accommodation and boarding houses.
- Self-catering holiday accommodation - including caravans.
- Businesses using less than 1,000 kWh/month of electricity or 4,397 kWh/month of gas.

How can charities apply for a VAT reduction or rebate?

If you think you're entitled to a bill reduction or rebate, you'll need a VAT Declaration Form to start your application. You can download the appropriate form for your energy supplier below and send it to the address shown.

- **British Gas**
British Gas Business, Spinneyside, Penman Way, Grove Park Leicester, LE19 1SZ
[Download form](#)
- **CNG**
CNG, CNG House, 5 Victoria Avenue, Harrogate, HG1 1EQ
[Download form](#)
- **Corona Energy**
Corona Energy Ltd, Edward Hyde Building, 38 Clarendon Road Watford, WD17 1JW
[Download form](#)
- **EDF Energy**
EDF Energy plc, Registration Department, Southdownview Road, Worthing, BN14 8NL
[Download form](#)
- **E.ON**
E.ON, PO Box 9042, Sherwood Park, Annesley, Nottingham, NG15 5AZ
[Download form](#)
- **Gazprom Energy**
Gazprom Energy, Bauhaus, 27 Quay Street, Manchester, M3 3GY
[Download form](#)
- **Haven Power**
Haven Power Limited, The Havens, Ransomes Europark, Ipswich, IP3 9SJ
[Download form](#)
- **npower**
npower Direct Limited, 2 Princes Way, Solihull West Midlands, B91 3ES
[Download form](#)
- **Opus Energy**
Opus Customer Services, Royal Pavillion, 2 Summerhouse Rd, Northampton NN3 6BJ
[Download form](#)
- **Scottish Power**
ScottishPower Energy Retail Limited, SME Contact Centre, PO Box 7111,

Cathcart, Glasgow G44 4GP

[Download form](#)

- **SSE**

Scottish & Southern Energy, Grampian House, 200 Dunkeld Rd, Perth, PH1 3GH

[Download form](#)

How Make It Cheaper can help your organisation

Call Make It Cheaper on 0800 088 6974 or visit www.darlington.gov.uk/bigcommunityswitch and follow the instructions to take part in the Big Community Switch in your community. We can help you with your VAT application. We can also look at the unit rates you are being charged on your bill and tell you if we think there's a better tariff for you. If it's not the right time to switch, we can log your contract end date so that we can get in touch when your supplier is due to increase your prices again.

* By successfully applying for a VAT reduction, you automatically become exempt from the Climate Change Levy: currently 0.541p per kWh for electricity and 0.188p per kWh for gas.

** Under the Finance Acts 1993 & 1997, charities (registered and unregistered) whose energy is used "otherwise than in the course or furtherance of a business" for at least 60% of its actual use, can receive all their power supplies at the reduced rate of 5% VAT. If your 'non-business' use is below 60% of total usage, that proportion of the supply can still be applied to the reduced rate. For example, if 35% of energy use is non-business, 35% can be taxed at 5% and 65% at the standard VAT rate.

Article provided by Make It Cheaper, December 2014