



## **RFU guidance-the expenses of Tours for CASC's**

### **Background**

Many CASC registered rugby clubs go on Tour involving overnight stays and playing clubs in other areas of the UK or overseas. Those members going on Tour will usually carry out fund raising activities with the support of the club to raise the necessary funds which will enable them to afford to go. Members going on Tour will often contribute something personally. Travel, meals and accommodation expenses will be paid out of the funds raised and these contributions.

### **The issue**

Following the CASC Regulations introduced in April 2015 the club can pay "necessary and reasonable travel and subsistence" expenses incurred by players, coaches and match officials (but not for club Officers including Committee Members if they are not playing) travelling on Tour. The payment of these expenses is subject to them being both reasonable and the Tour being acceptable to HMRC which devotes 2 pages of guidance to Tours and on what are reasonable expenses in their CASC detailed guidance notes. HMRC also requires evidence to justify both. HMRC take a strict line on what sort of Tour is acceptable and in their guidance provide examples asserting that any day on Tour not spent playing should be taken up by training or other promotional activities. HMRC's recommended rates for travel and subsistence are not at all generous e.g. the one meal rate for a minimum journey time of between 5 and 10 hours is only £5 and the 2 meal rate for over 10 hours £10.

Whilst the new rules have relaxed HMRC's previous strict approach (HMRC did not allow club funded Tours) Touring can still give rise to uncertainty and additional record keeping issues for CASC's. If all of the costs of Tours were met out of funds raised by those going on Tour (whether by fund raising events or individual member contributions) without the club's financial involvement there should be no problem.

### **How can the potential issue be avoided?**

One of the club members could open a Bank account in his or her name to collect funds for the members going on Tour. This may not be attractive.

Another approach would be to use the club's banking arrangements for administrative ease but separate the funds raised from the club's ownership by using an agency agreement. Under this funds would be placed in the club's bank account but would not be held on behalf of the club but as agent for members going on Tour; they would not belong to the club neither would they be recorded in the club's accounts. They would be dealt with separately as the Tour members' money so that

HMRC could not argue that the club was paying for the Tour costs. A suitable agency agreement in the form of a letter exchange is attached.

It is believed that an agency approach will avoid any potential CASC issues with Tours. All Tours organised for club members should in any event be carefully reviewed and every effort made **to avoid the potential pitfalls contained in the new "necessary and reasonable travel and subsistence expenses" rule under the CASC Regulations as interpreted in HMRC guidance. Clubs using the agency approach should check its implementation with its professional advisers.**

### **Disclaimer**

This guidance note provides generic information for clubs and whilst all reasonable care has been taken to ensure its contents are correct no responsibility can be accepted for any errors or omissions or for any loss caused or sustained by any reliance placed on the information contained within it. Before taking any specific action based on this guidance note clubs should take the appropriate professional advice.

27th October 2016

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