

MGETR Frequently Asked Questions - co-created by participants

This is a work-in-progress, created in response to feedback from the participants in the first phase of the MGETR pilot programme developed by YVAN/CVAN in 2019/2020. The answers will be turned into a shareable document in June 2020



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	FAQs from participants	Answers to FAQs
Questions about the company	How do we know if we are charitable for tax purposes?	You are registered with HMRC as a charity - your accountant will know.
	What kinds of organisation apart from Registered Charities can be charitable for tax purposes?	A company limited by guarantee which has received a determination by HMRC that it is charitable
	If we think our activities are charitable but we are not constituted as a charity, can we change our constitution?	Yes you can. All the details are here: https://www.gov.uk/setting-up-charity
	We are a company limited by shares but we do not pay dividends to our shareholders. Can we be considered charitable for tax purposes?	No, you can't. If you are never going to pay dividends to shareholders and think your activities are charitable, you could consider setting up a new company that is more appropriate to what you do. https://www.gov.uk/setting-up-charity
	We are a company limited by guarantee with charitable objectives (education) - are we eligible for MGETR?	Possibly. You have to receive a determination by the HMRC that you are charitable.
	We set ourselves up as a CIC as that was recommended to us - are we eligible for MGETR?	No - a CIC cannot be a charity.
	We are an unincorporated association - are we eligible for MGETR?	No - an unincorporated association is not capable of fulfilling the criteria to be a production company e.g. it cannot enter into contracts. https://www.gov.uk/unincorporated-associations

	We are a workers cooperative? - are we eligible for MGETR?	No. Cooperative and Community Benefit (formerly Industrial and Provident) societies are set up for the benefit of their members and this is not considered charitable by HMRC.
	We don't pay corporation tax - are we eligible for MGETR?	Possibly. You do not have to have paid Corporation Tax (CT) to be eligible for MGETR - you just need to be within the scope of CT. If you are within the scope of CT but are exempt from paying it because you are a charity, then you can still be eligible for MGETR.
	We don't know what it means to be "within the charge to Corporation Tax"	You have to be a company that is theoretically liable to UK Corporation Tax on any profits - even if you do not make any profits, or if you do not pay any Corporation Tax because you are an exempt charity.
	We don't pay tax because we make a loss on our activities - are we eligible for MGETR?	Yes, providing you meet the criteria (ie you are a company, you are a charity).
	We don't have a permanent space, but the Council has let us make a "meanwhile use" gallery in an empty shop - is this eligible?	The company (or a parent organisation) does not need to own a space, but it will need to demonstrate that it is responsible for maintaining a space that could be described as a 'museum' or 'gallery'.
Questions about the exhibitions	We sometimes install site-specific work in outdoor public spaces - is this eligible?	With regards to outdoor spaces, your organisation will need to demonstrate that it is maintaining the <i>site</i> , not just the exhibition itself.
	We sometimes stage exhibitions for a private group - is this eligible?	No. The work has to have been intended for public exhibition from the planning stage.
	Are our overhead costs of the gallery premises (rent, light, heat etc) eligible?	The proportion of overhead costs relating to the production phase will be eligible - not any which are incurred during the actual running of the exhibition.
	We embed digital into all of our activities, as our funders encourage us to do - does this make us ineligible?	Digital-only exhibitions will not be eligible. If there is a physical exhibition taking place then the costs of that physical exhibition can qualify, but not any costs associated with digital content.

<p>We are making all of our programme as digital as possible for the foreseeable future (Covid 19) - does this make our work ineligible?</p>	<p>Digital-only exhibitions will not be eligible. If there is a physical exhibition taking place then the costs of that physical exhibition can qualify, but not any costs associated with digital content.</p>
<p>We sell a small number of artworks by Northern Artists each year, as one of the few commercial galleries outside London - does this make us ineligible?</p>	<p>Any exhibitions where exhibits are for sale will not qualify. If your organisation puts on other exhibitions (where the works are not for sale) then these may qualify.</p>
<p>We sell artist multiples, postcards etc in our Gift Shop, rather than the artworks themselves - does this make us ineligible?</p>	<p>No.</p>
<p>We incorporate some live performance into our Openings and other public events - does this make the whole exhibition ineligible?</p>	<p>Generally, yes. If the exhibition does not routinely feature live performance but does so on an occasional basis, then contact HMRC with the details.</p>
<p>Some artists include plants and other living material as part of their work - does make these exhibitions ineligible?</p>	<p>Yes.</p>
<p>Are our overhead staffing (curation, invigilation, fundraising) costs eligible?</p>	<p>Any staffing costs relating to the production phase (e.g. curation) will be eligible core costs. Staff costs relating to the running phase will be non-core costs but must still be identified as relating to the exhibition and not your general costs. It is possible that staff costs will need to be apportioned between different exhibitions or between core and non-core activities (see apportionment).</p>
<p>We host a lot of Artist Residencies - are all the costs of these eligible?</p>	<p>It is unlikely that the full costs of the residency are eligible. This will partly depend on a number of factors, including: how closely tied the residency is to an exhibition (e.g. is an exhibition a requirement of the residency), who retains ownership of the artwork, and what costs are included. Contact HMRC with details if you would like to claim residency costs.</p>

Does it make a difference if the residencies are paid?	See above. A contact for the Creative industries unity for any queries or correspondence: mailto:creative.industries@hmrc.gsi.gov.uk
Are per diem expenses for artists, technicians and curators eligible?	If they relate to qualifying core costs (e.g. curation), then yes
Are the costs of external curators, installation technicians, carriers eligible for MGETR?	Yes, if they are carrying on qualifying core activities.
Are the costs of tours that we initiate eligible for MGETR?	Yes. If you initiate a tour, then you are able to claim on qualifying costs that you have incurred on the initial production, and any qualifying costs that you have incurred that are specific to any venue that you are responsible for - other organisations may be able to claim for costs related to the other venues.
Are the costs of touring shows that we receive from other galleries eligible for MGETR?	If you pay another organisation in order to acquire the rights etc. to an existing exhibition that you put on, then you may be able to qualify as a secondary production company. You will be able to claim on any core costs you have spent in relation to putting on the exhibition at your venue,
Are the costs of new works that we commission eligible for MGETR?	If your organisation retains the rights to the works after the exhibition (e.g. it is as if the gallery has bought the work) then it will be a capital cost and will not be eligible. If your organisation only has the rights to the work for the duration of the exhibition (e.g. it is as if it has leased the new work) then it will be a core cost.