



Commonwealth of Virginia
Department of Taxation
www.tax.virginia.gov/nonprofit

Retail Sales and Use Tax Certificate of Exemption

University of Maine System
16 Central Street
Bangor, ME 04401

Effective Date: 04/14/2015
Expiration Date: 04/14/2020
Exemption Number: SE016000769F04142020

This letter confirms that your organization qualifies under *Code of Virginia* § 58.1-609.11 to purchase tangible personal property without paying the Virginia sales and use tax. The exemption is not applicable to the purchase of taxable services, such as meals or lodging.

To purchase tangible personal property without paying a sales and use tax:

- Present a copy of this letter to each dealer.
- Pay directly from the organization's funds. Purchases by a member of the organization from their personal funds (i.e., cash, personal credit card or personal checking account) are taxable even though they may be reimbursed by the organization. If the organization issues credit cards to employees who are responsible for payment of the charges that are reimbursed by the organization; these type transactions are taxable.
- Employees or members may NOT use this exemption certificate to purchase goods for personal use.

Dealers, please note the following:

- The dealer is required to have on file a valid certificate of exemption from each organization.

I certify that the item or items being purchased are purchased by and used or consumed by the organization named above and that payment for this purchase is made to the vendor from the organization's funds.

Organization's Authorized Representative:

A handwritten signature in cursive script that reads "Janis Manning".

Printed Name: Janis Manning

Any misuse of exemption certificates will be subject to the penalties prescribed in § 58.1-623.1 of the *Code of Virginia*.



Commonwealth of Virginia
Department of Taxation

NOTICE TO NONPROFIT ORGANIZATIONS

May 20, 2016

JANIS MANNING
UNIVERSITY OF MAINE SYSTEM
16 CENTRAL STREET
BANGOR, ME 04401

RE: Policy Change Regarding Meals and Catering Purchases Made by Nonprofit Organizations

Dear Taxpayer:

There has been some confusion over the years regarding the application of the tax to purchases of prepared meals and catering by nonprofit organizations. The Department is changing its policy effective April 22, 2016, and will apply the new policy on a prospective basis. The Department will no longer deny an exemption from the Retail Sales and Use Tax on sales or purchases of meals, prepared food and catering on the basis that the meals, food and catering are taxable services. Rather, the Department will evaluate exemptions from the tax for these types of transactions based on whether the nonprofit organization claiming the exemption meets the use or consumption requirement of its respective exemption statute.

Our records indicate that a Virginia Retail Sales and Use Tax exemption was issued to you on **April 14, 2015**. The exemption certificate provides that the organization may purchase tangible personal property without paying the Virginia Retail Sales and Use tax. It also states that the exemption is not applicable to the purchase of taxable services, such as meals or lodging.

In order for a nonprofit organization making purchases of prepared meals and catering for consumption by individuals to satisfy the use or consumption requirement, the entity must establish that the provision of the prepared meals, catering, or services furthers an official function, mission, service or purpose of the nonprofit entity. Further, the charge for the food, meals, or catering must be billed to and paid for by the entity claiming the exemption with payment drawn from the entity's account, rather than using cash or an individual's account. Finally, the entity claiming the exemption must determine to whom, when, and how the meals or food are served and consumed.

The Department will not issue a new exemption certificate to your organization at this time. If your current exemption certificate is still valid, please provide the retailer with a copy of this letter, along with your exemption certificate when making purchases of meals, food or catering. The Department will issue a new exemption certificate to you when it is time to renew your exemption certificate. If you are unable to locate a copy of your exemption certificate, please contact our office and a copy will be mailed to you.

More information regarding the application of the Retail Sales and Use Tax to purchases of catering and other services related to the provision of food and meals by nonprofit organizations may be found in **Virginia Tax Bulletin 16-3**, available on-line at www.tax.virginia.gov in the Laws, Rules & Decisions section of the Department's website. If you have any questions regarding your Virginia sales and use tax exemption, you may contact the Virginia Department of Taxation Nonprofit Exemption Unit at (804) 371-4023 or P.O. Box 27125, Richmond, Virginia 23261-7125. You may also visit our website at www.tax.virginia.gov/nonprofit for additional information.

