

VAT

THE TAX THAT PAYS BACK

UVS

VAT RECOVERY PRESENTATION

Dollars & Cents Matter

NAFSA Region III

Arkansas, Louisiana, Oklahoma, Texas

Presented To:

NAFSA Region III Conference 2010
New Orleans, LA



Presented By:

Universal VAT Service (UVS)

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What is VAT?

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- Value Added Tax (VAT) is a national sales tax on goods and services that is levied by many countries around the world. In 1986 the European Union (EU) began VAT refund scheme to **business/educational entity** under the 13th Tax Directives. **Most business/official related expenses including travel expenses do qualify for VAT refund.**
- They began offering VAT refunds to companies & **educational** entities whose employees travel to participating EU countries for business.
- The EU countries refund VAT to foreign registered entities as a business and investment incentive, thus strengthening their place in the global economy.
- Many entities globally fail to reclaim VAT because of **unawareness.**

What are the VAT rates?

- VAT rates in the EU range from 3.5% to 25%, depending on the country. Some countries do not refund the full amount levied.

Can individual travelers to Europe on vacation or non-business related trips claim VAT on hotels/meals/car hires, etc.?

- **No.** VAT can't be refunded to individuals. **Only companies & educational entities** receive the refund on service items for **business-related expenses.**



Countries that Refund VAT to Colleges & Universities

Country	Tax	Rate	Country	Tax	Rate
Australia**	GST	10%	Luxembourg	TVA	15%
Austria	MwSt	20%	Japan***	Consumption Tax	5%
Belgium	MwSt	21%	Netherlands	BTW	19%
Canada	GST	5%	Norway	VAT	25/8%
Denmark	MVD	25%	S. Korea	VAT	10%
Finland	ALV	22%	Sweden	MOMS	25%
France	TVA	19.60%	Switzerland	MsSt	7.60%
Germany	MwSt	19%	United Kingdom	VAT	#17.5%
Italy****	IVA	20%	Iceland	VSA	24.5%

Partial list of VAT refunding countries where Corporate International Travel is done.

** Australia -Refund possible only through registration for GST &

*** Japan - Refund possible only through registration for consumption tax prior to incurring the expenses.

**** Italy - Prior registration is need and the registration number needs to mentioned on the invoice.

As of Jan. 01, 2010 the VAT rate is 17.5% in the UK & is expected to increase to 20% from Jan. 01 2011



Depending On The Country, VAT May Be Refunded On the Following Expenses:

- **Travel Expenses**
(Hotels, Car Rentals, Ground Transportation, Meals, Banquets)
- **Seminars, Conferences, Training, Workshops, Tradeshows**
(All Related Costs)
- **Wire Transfers & Payments Made to Foreign Vendors**
(Purchases from the Overseas Vendors)
- **Overnight Courier Expenses**
(DHL, Fed-Ex, UPS, and others)
- **Foreign Campuses**
(Assuming you are not registered for VAT in the host country and/or are not required to register)
- **Executive MBA Program/Summer School on Foreign Campuses**
- **Semester/Year Round/Faculty Lead Programs / Research Programs**
- **Other Expenses**
(Warranty services, Installation services, Relocation Expenses, Parking, & Telephone Expenses)



VAT Recovery



Our Experience Recovering VAT for Education Institutions:

Case Study of Successful VAT Recovery

COMMENTS FROM A FEW SATISFIED CLIENTS:

Upon receiving a significantly large refund on 4/4/2009, Katherine Bellows, International Director for Georgetown University sent a note saying: This is great news! Thank you so much for all of your hard work!!

University	Program	VAT Filing
Duke University Fuqua School of Business	Global Executive Program 2009 Total spend £380,000.00	£ 58,000.00 (USD 87,000.00)
Georgetown University	Law School – London Opening Ceremony. Total spend £47980.01	£ 7,097.11 (USD 10,645.66)
University System of Georgia	European Council 2008 London Total spend £95713.00	£ 14,042.89 (USD 21,064.33)
University of North Carolina Chapel Hill	London Summer School 2009	£ 9,453 (USD 15,201.00)
Kellogg School of Business	100 Years Celebration in London-2008 Total spend £ 25,076.00	£ 4047.00 (USD 6070.50)
Louisiana State University	LSU in France, Summer Program	€ 5,366.67 (USD 6,441.03)
Carleton College	Faculty-Led Seminars in U.K. 2009	£ 3,330.61 (USD 4,902.66)
Georgetown University	London Study program 2009	£ 25,851.37 (USD 38,267.78)
Valdosta State University	European Council 2009 Germany	€ 6,341.31 (USD 8,734.71)

UVS garners maximum VAT for clients. We stretch dollars to get the most out of study abroad programs.



UVS Marketing Tools Comprise:

- Periodic customized letters and circulars distributed to you for ongoing development of your VAT offering
- UVS can create personalized brochures for you (like the one on your right) which can be easily shared with your travelers, to remind and assist them in obtaining proper VAT invoices or receipts, for maximum VAT reclaim

VAT NOT CLAIMED IS MONEY LEFT ON THE TABLE... LITERALLY!

TRAVELING ABROAD?
When employees travel abroad, not knowing which of their expenses are VAT refundable can amount to hundreds of thousands of dollars in unclaimed funds which would otherwise be returned. This handy travel reminder card will be a valuable resource for you during your trip so you can keep track of which of your expenses are VAT eligible and can be reclaimed.

WHAT IS VAT?
VAT is Value Added Tax—a permanent tax that is a form of national sales tax on goods and services. VAT is levied by many countries around the world and it is built into the cost of your purchases made abroad; a percentage of that cost can be reclaimed.

WHAT ITEMS ARE VAT REFUNDABLE?
Depending on the country, VAT may be refunded on:

- Travel Expenses (hotels, car rentals, airfare, meals, banquets, taxis/cabs, etc.)
- Seminars, Conferences, Trainings, Workshops, Tradeshows (all related costs)
- Telephone Expenses (Mobile calls/texts, Local/Long Distance calls, Hotel Calls)
- Wire Transfers and Payments made to overseas vendors
- Mail and Courier Expenses (FedEx, DHL, UPS, etc.)
- Professional Fees (legal, marketing, accounting, consulting)
- Aviation/Private Aircraft (ground handling, land fueling fees, etc.)
- Other Expenses (parking, fuel, relocation expenses, etc.)

QUICK TIPS

- ⇒ It is important to record the names and affiliations of all the diners in your party on the back of restaurant invoices/receipts.
- ⇒ Credit card charge receipts are at times not acceptable, as they do not often contain adequate, detailed information, so be sure to obtain original, detailed receipts/invoices from purchase locations. The newer style, computer generated credit card receipts are often more detailed and are generally accepted.
- ⇒ When in doubt, just keep your receipt, even if you are not sure that VAT may be refunded on your purchase.

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SAMPLE VAT/GST TAXES

Austria 10/20%	Denmark 25%
Belgium 21%	Germany 7/19%
Finland 22%	Netherlands 6/19%
Luxembourg 15%	Switzerland 7.5%
Sweden 25%	UK 17.5%

BEFORE YOU RETURN:
Hotel and Car Rental invoices and receipts must include your name and the organization name AND address, NOT your home address. Originals only are accepted.

ALWAYS insist on receiving the FINAL TAX INVOICE/RECEIPT when checking out. **AVOID Express Checkout** since these type of invoices/receipts may not be final. Invoices marked "copy", "statement", "preliminary" or anything other than final are not acceptable.

Tradeshows and conference invoices are generally higher in value than other invoices/receipts and specifically obtaining "Tax Invoice" documents from vendors can positively impact and add significantly to these particular types of VAT refunds.

VAT—The tax that pays back... year after year!

WHEN YOU RETURN:
Please include with each Expense Report all original VAT/GST/HST reclaimable invoices/receipts that you acquire — even though some of them may not be necessary to obtain reimbursement.

ALWAYS REMEMBER:
Having adequate, detailed descriptions of goods or services provided is most important. This is particularly important for restaurant invoices/receipts which often contain price totals only, as do many types of other credit card receipts. **Always insist on itemized receipts/invoices.**

WHY ARE MY RECEIPTS/INVOICES SO IMPORTANT?
RADIUS Travel can recover substantial portions of the expenditures that are incurred when employees travel abroad. Most of the countries you frequent are VAT refunding countries. Simply by ensuring that employees who travel abroad obtain and bring back the proper invoices/receipts, UVS can reclaim maximum VAT for you. Exactly which invoices/receipts are considered proper? This card reminds you of exactly what you will need to bring back. Consider this: on average, each RADIUS Travel invoice/receipt is worth approximately \$70, so before your next trip abroad, **never leave home without THIS card!**

Universal VAT Services 2771 Lawrenceville Hwy. Providing Quality Comprehensive Value Added Tax Reclaim Services

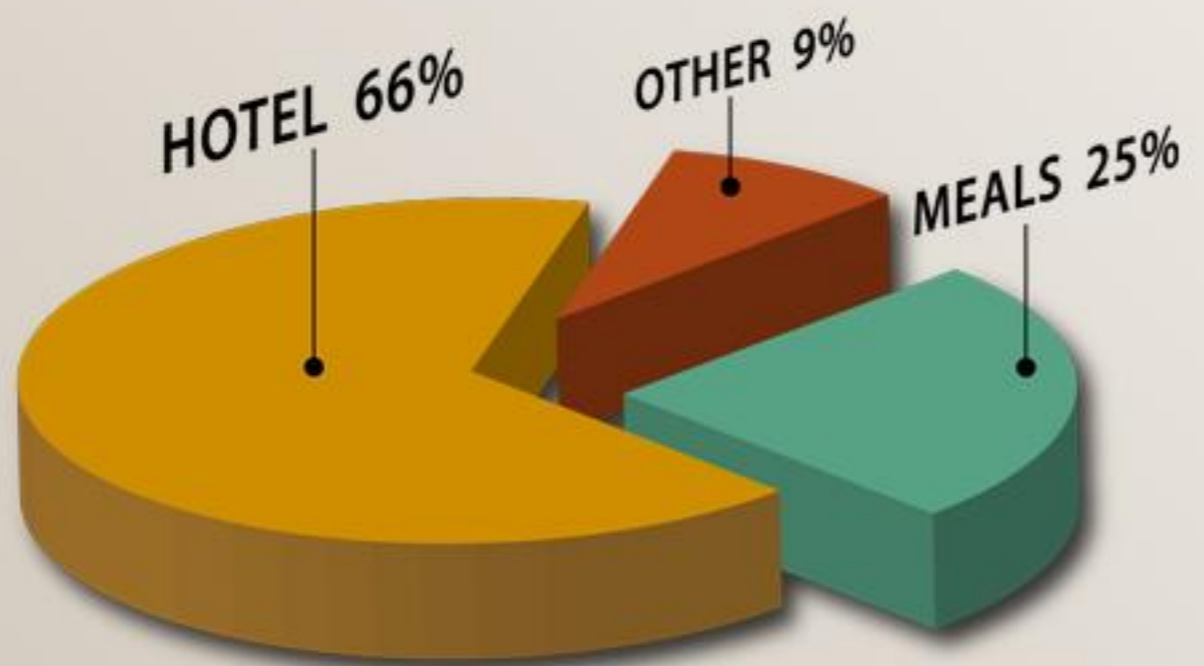


VAT

THE TAX THAT PAYS BACK



Average VAT Expense (15%) (USD \$52.50)



*Average daily international travel expenses: USD \$350 per person.
Source: Business Travel News Magazine, 2009

Company of Rockwell Com...
Date: MM/YY
Original for VAT Filing
Date: MM/YY
AUG - - 2009

Heico Aircraft Maintenance GmbH • Postfach 32 25 • 65222 Wiesbaden

Bei Zahlung bitte immer angeben:
Kundennummer: 18040
Invoice No.: R0000121

We charge you for our maintenance activities according our agreement:
Technical Handling
of Qantas Airlines in FRA July 2009

HEICO AIRCRAFT
MAINTENANCE

Heico Aircraft Maintenance GmbH
Postfach 32 25
65222 Wiesbaden
Telefon: 0611 - 505000
Fax No.: 0611 - 505010
E-Mail: info@heicoaircraft.de
Homepage: www.heicoaircraft.de
Finanzamt: Wiesbaden 1
Steuernr.: 402237701

Sales - Invoice
Page 1
Document Date: 05.08.2009

USD	30.899,50	USD	30.899,50
USD	926,99	USD	926,99
Total USD Excl. VAT	31.826,49	Total USD Excl. VAT	31.826,49
19% VAT	6.047,03	19% VAT	6.047,03
Total USD incl. VAT	37.873,52	Total USD incl. VAT	37.873,52

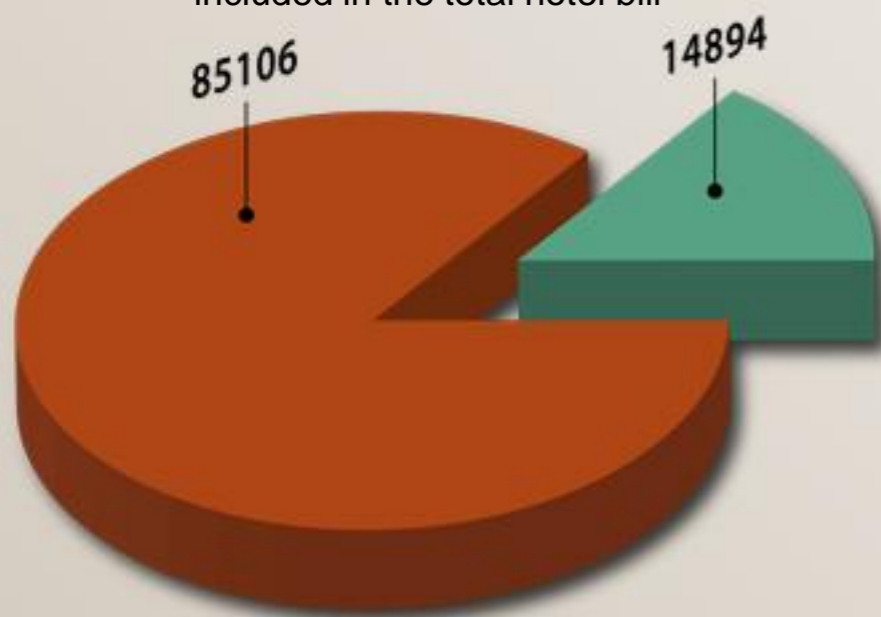
Vat = 4.199.12€



Benefits & Savings Example:

VAT Calculation U.K.

Example for U.K. Travel: **17.5% VAT** is added and included in the total hotel bill



U.K. travel expenses of \$100,000 might be eligible for up to a **\$14,894*** refund.

Benefits:

- *For every \$1 million in European Travel, VAT potential is approximately \$50K to \$100 K
- *For every \$1M in European Non-Travel Expenses, VAT potential is approximately \$150K (tradeshows, conferences, etc.)

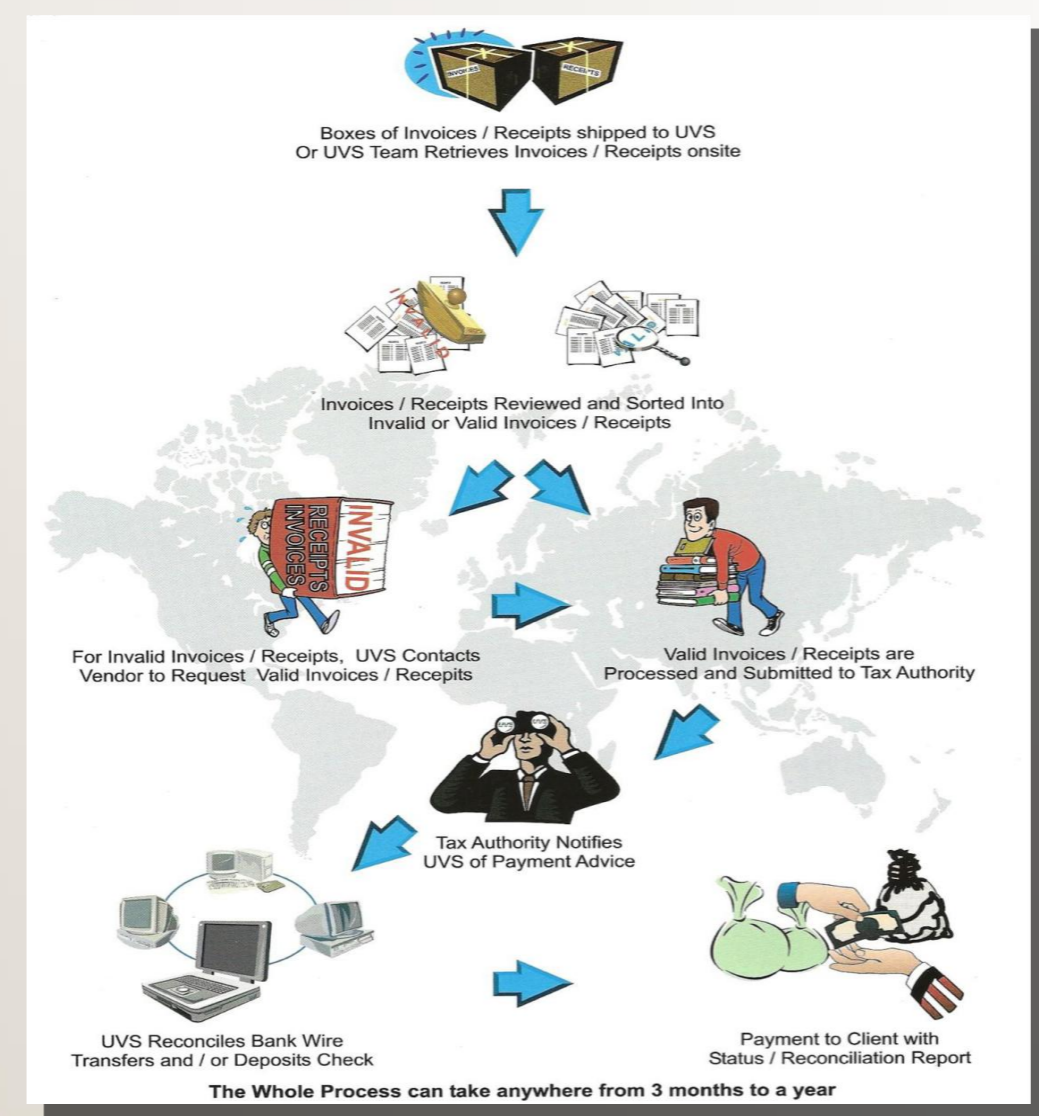
Country	VAT Rate	Number of Trips	Average Stay	# of Days	VAT per Day	Total Estimated VAT
UK	17.5%	236	4	944	40.00	37,760.00
Japan	5%	44	4	176	15.00	2,640.00
Germany	19%	156	4	624	30.00	18,720.00
				Total Potential VAT (Travel)	59,120.00	
				Non-Travel (Estimated)	11,824.00	
				Estimated VAT Refund	70,944.00	



Claims Management Process & Process Flow



**Recycle your
Paid VAT
Invoices**



What we need from you to begin recovering VAT for your Study Abroad and International programs



- All **original tax invoices** from foreign suppliers
- VAT Rates, VAT amounts and VAT # of the suppliers should be **indicated on invoices**
- All invoices should be original (fax copies are not acceptable) **these will be returned back with the refund.**
- Full description of services provided/expenses incurred, **should be noted** (lodging, meals, classroom rental, supplies, transportation, etc.)
- Proof **of Payment**



VAT Refund deadline for Fiscal Year 2009/2010

Clients who have business/official expenses to VAT refunding countries scheduled for the year 2009 / 2010, and therefore, the VAT recovery possibilities are significant:

- In order to process clients claims for U.K. the fiscal year that ended on June 30 2010, the **deadline is on December 31, 2010** for the 2009 calendar year
- For EU countries, for returns during the fiscal year that ends December 31, 2010, **the deadline is June 30, 2011**
- Necessary **paperwork needs to be completed at least 2 months prior to the deadlines**

*We estimate that "our client" will need to invest **only 2-3 hours of time** per year on its VAT Recovery:
UVS handles the rest!*



VAT is The Tax That Pays Back!

VAT Recovery is A Permanent Opportunity,
Not A One Time Deal.

VAT That Is Not Recovered, is Money Left On The Table Literally!

UVS has the capability to segregate claims for the entity and can then channel the recovered VAT directly back to the specific department, via procurement office.

Conclusion:

VAT Recovery Will Mitigate The Impact Of Weak Dollar.

Thank You!

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Universal VAT Services

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QUESTIONS & ANSWERS

