



RUGBY FOOTBALL UNION

NICK EASTWOOD
FINANCE DIRECTOR

10 August 2009

To: Finance Directors/Treasurers of Clubs participating in The Championship

Cc: Chief Executives/Secretaries of Clubs participating in The Championship

Dear Club Colleague

RFU FINANCIAL SUPPORT FOR SEASON 2009/10

Introduction

I am writing to confirm the level of funding which has been approved by the RFU for season 2009/10 for clubs participating in The Championship.

Core funding

For season 2009/10 the amounts payable in core funding together with comparative totals for season 2008/09 (which was in respect of conditional funding) are set out below. Clubs should note that the continuing payment of this funding is conditional on clubs participating in the Championship and complying with the RFU's rules and regulations, both generally and specifically in respect of the Championship.

	2009/10	2008/09
All clubs except Bristol	£	£
Core funding	200,000	106,452
Bristol	£	£
Core funding	100,000	53,226

The funding for the club relegated from the Guinness Premiership at the end of the previous season is half that of the other 11 Championship clubs.

The amounts will be paid in monthly instalments, subject to the deductions for referees costs and insurance premiums, described below.

As in previous seasons, an amount per club (£700 for season 2009/10) will be deducted from each monthly payment to fund referees costs for Championship matches. Once the total cost for the season is available, the total payable per club will be calculated and the appropriate adjustment made in the August payment of the following season.

As in previous seasons, the insurance premiums for Championship clubs for personal accident and coaches and referees liability cover of £1,660 per club (see below for details) will be deducted from the September payment.

Insurance scheme

As in prior years, Championship clubs will not be required to declare the number of teams and pay the insurance premiums in respect of the personal accident and referees and coaches' liability cover as this will be deducted centrally.

Championship clubs should note that public and employer liability cover is NOT provided centrally by the RFU.

Following requests from a number of clubs, the RFU's insurance advisors, Marsh, have researched the availability of a number of third party products for clubs which may wish to supplement the personal accident cover provided centrally by the RFU. Please note that certain of these providers will only make available their own products and consequently we would always recommend that the advice of an Independent Financial Advisor is sought in order to ensure that the correct product and level of protection is offered.

Further details of the personal accident and referees and coaches' liability cover, including policy wordings, certificates and answers to common queries can be found as part of the Virtual Adviser tool found on the Community Rugby section of www.rfu.com, or by contacting the RFU's insurance brokers, Marsh, on 01732 877647 between the hours of 9am and 5pm, Monday to Friday. The website also contains details of the supplementary insurance referred to above.

Taxation

Clubs should note the important points below regarding taxation.

Corporation tax

All financial support payments to clubs by the RFU are subject to corporation tax in the hands of each club. These payments should be included as trading income in the tax computation of your club against which you may, of course, claim trading expenses or, where appropriate, trading losses brought forward. You should be aware that the RFU is required to advise HM Revenue & Customs of all payments made to each club.

VAT

The RFU has confirmed that the payments in respect of core funding are outside the scope of VAT. Please note that referee expenses paid by the RFU on behalf of FDR member clubs are also outside the scope of VAT.

Contact details

Any general queries relating to this letter should be addressed to Sandra Negreira, Club Accountant, Rugby Football Union, Rugby House, Twickenham TW1 1DS; tel: 020 8831 6684; email sandranegreira@rfu.com.

Regards



Nick Eastwood
Finance Director

Cc Chairman of the Management Board
Chairman of the Finance and Funding Standing Committee
Chairman & Secretary of the Divisional Organizing Committees
Chairman of the Competitions Sub Committee
Chairman of the Community Game Board
RFU Chief Executive
Community Rugby Director
Tournaments and Competitions Director
RFU Club Accountant
Council Members