

Compliance Guidance

The most frequently identified breaches of the Regulations are categorised under the following areas:

Responsibilities	Recommendations
Corporate Governance	To ensure that EBs maintain transparency and comply with best practice, over reliance on one individual person for dealing with LCF matters is discouraged. ENTRUST appreciates that for smaller EBs this can be an issue. However, a wider spread of LCF knowledge within the EBs will reduce the risk of non-compliance with statutory returns and other obligations under the Scheme.
Administration Costs	EBs must ensure that administration costs are both reasonable and relevant to LCF activity. Where EBs have declared administration costs these should be verifiable. This can be achieved by maintaining records of expenditure, supported by timesheets, project monitoring, reports and invoices.
Documented Processes and Procedures	EBs should ensure that they review their documented processes every 12 months. This will ensure that they are up to date and operating correctly. The EB may be able to identify areas where improvements in processes may aid the efficient running of the EB.
Contributory Third Parties (CTPs)	<p>EBs must make and retain records of CTPs. This ensures that no CTP gains a unique benefit from the Scheme and ensures transparency over its operations.</p> <p>The principles are that a CTP must:</p> <ul style="list-style-type: none"> • Be a separate legal entity to the EB; • At the time of making their payment, have the intention of making the CTP payment to secure the making of a qualifying contribution (or to reimburse the Landfill Operator for such a contribution); • Make the payment directly to the Landfill Operator; and • Not uniquely benefit from the expenditure of the EB that has registered the project to which they are acting as a CTP.
Main Contacts and Director Updates	EBs should ensure they keep ENTRUST up to date with changes to Main Contacts or Directors/Trustees. This ensures that all relevant correspondence is sent correctly to the EB and we don't waste time contacting and inconvenience former Directors/Trustees who have left the organisation.

Income Derived	<p>All EBs must record and report any Income Derived, which they receive (in accordance with Regulations 33A(1)(d)(iii) and (v) and Regulation 33A(1)(h) of the Landfill Tax Regulations 1996 (Regulations)).</p> <p>When an EBs registers a project that generates income and that income is directly received by the EBs then these monies are to be classified as the EBs' Income Derived. Consequently, the EBs has an obligation to record and report to ENTRUST all of the Income Derived that it receives.</p> <p>All Income Derived from the application of LCF monies can only be spent on the approved Objects as set out in the Regulations.</p> <p>Where Income Derived is not directly received by the EBs, but by another independent organisation and the EBs is not entitled to receive that income, then there is no requirement for the EBs who registered the project to record and report any Income Derived.</p> <p>However, those EBs who find themselves in this position must be satisfied that any income generated from LCF monies is only spent on the approved Objects as set out in the Regulations. EBs who register projects on behalf of other organisations, must therefore ensure that that they have the necessary controls in operation to fully comply with this requirement.</p>
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