

CORPORATE VOLUNTEER SCHEME (CVS) FACTSHEET

The Business & IPC Partnership Scheme (BIPS) has been renamed to the Corporate Volunteer Scheme (CVS) with effect from 1 April 2023.

BACKGROUND

1. Businesses can play a big role in shaping a culture of care and contribution in Singapore! As part of the national SG Cares movement to build a more caring and inclusive home, businesses can give to society through not only donating monies, but also contributing experience and expertise. CVS encourages more businesses to give back through volunteerism and partnerships with the community.

2. CVS was introduced as a pilot scheme at Budget 2016, and has been extended to 31 Dec 2026. Under the scheme, businesses are encouraged to send their employees to volunteer and provide services at IPCs, including secondments, subject to the IPC's agreement and will enjoy 250% tax deduction on qualifying expenditure.

3. From 2 Dec 2019, changes to CVS were made to improve the administrative ease of applying and claiming CVS. The changes include:

- An option for businesses to claim tax deduction on wage expenditure based on fixed hourly rates in lieu of actual salary: \$10/hour for general volunteering and \$20/hour for skills-based volunteering¹.
- A safe harbour for claims on related expenditures, whereby businesses do not have to submit documentation proof for the IPCs' verification for related expenses that make up less than 5% of the total qualifying expenditure for that volunteering project. Businesses, however, should retain documentation for usual record-keeping purpose and for verification by IRAS on its tax claims. Related expenses refer to expenses, other than wage expenditure, that are necessarily incurred for the provision of services to IPCs. Examples are goods consumed in the process of volunteering such as paint for renovations, rental of premises, and transport when bringing beneficiaries on an outing.
- Simplified declaration forms.

4. From 1 Jan 2024, further enhancements will be introduced to CVS, including:

- An expanded scope of qualifying activities to include activities which are conducted virtually or outside of the IPCs' premises.
- An increase in the qualifying expenditure cap per IPC from \$50,000 to \$100,000 per calendar year.

¹ Skills-based volunteer services refer to services that necessitate a qualifying employee to apply specialised or technical skill, knowledge, or expertise, as required by the IPC. Examples of such activities include: pro bono audit work for IPCs, whereby an audit firm provides pro bono services for IPCs, or IT services for IPCs by IT-solution companies, such as the development of software/tools for IPCs.

ELIGIBILITY CRITERIA

4. All businesses carrying on a trade or business in Singapore are eligible for CVS when they send their employees, including part-time employees, to volunteer and provide services at IPCs.

5. There is a qualifying expenditure cap of \$250,000 for each business per Year of Assessment and \$50,000 for each IPC per Calendar Year. IPCs are required to track the quantum of the claims and not endorse businesses' declaration forms beyond the cap.

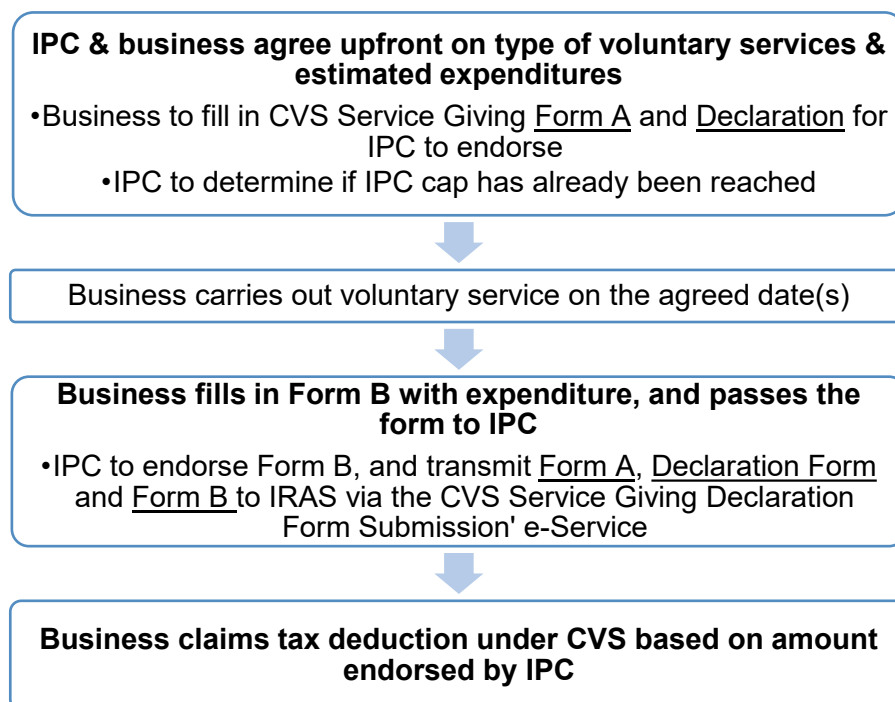
FORMAT

6. Application. Businesses and IPCs collaboratively identify how they can collaborate through corporate volunteerism, tapping on the business' expertise or experience to deliver services beneficial to the IPC. Both sides shall agree on the type of volunteer service, its duration and the estimated expenditure, **before** the business provides the service.

7. Submission. After the business carries out its volunteering services, it shall seek the IPC's endorsement for the actual expenditure, after which they can submit their tax claims to IRAS via myTax portal by the end-Jan of the following year.

8. This process is shown in Table 1 below.

Table 1: CVS Claiming Process



EXAMPLES OF QUALIFYING EXPENDITURE

Example 1

Your company mobilises employees to help paint a building of an IPC on a working day, and incurs the following expenditure:

Type of Expenditure	Expense	Calculations
Painting materials e.g. paint, ladder, brush, rags	\$500	NIL
Employees' wages (3pax) based on fixed rate of \$10/hr, and a total volunteering period of 5 hours. (based on fixed salary rate)	\$150	= 3pax * \$10 * 5hr

Example 2

A law firm seconds a lawyer to an IPC that requires legal aid for half a month, and incurs the following expenditure:

Type of Expenditure	Expense	Calculations
Wage of lawyer (\$10,000/ month) [based on actual salary rate]	\$5,000	= 1pax * \$10,000 * 11/22 working days

Example 3

Your company mobilises employees to provide drinks and put up a series of performances during an IPC's event, and incurs the following expenditure:

Type of Expenditure	Expense	Calculations
10 tins of milo, \$10 each	\$100	= 10 * \$10
Employees' wages (10pax) based on fixed rate of \$10/hr, and a total volunteering period of 9 hours. [based on fixed salary rate]	\$900	= 10pax * \$10 * 9hr

Example 4

An optometry company provides eye-screening services to support age-related eye diseases at a nursing home, and incurs the following expenditure:

Type of Expenditure	Expense	Calculations
Wage of optometrists and nurses (5pax) based on fixed rate of \$20/hr, and a total volunteering period of 5 hours [based on fixed salary rate]	\$500	= 5pax * \$20 * 5hr

FREQUENTLY ASKED QUESTIONS

1. What are the fixed hourly rates, and how are they determined?

For general volunteering, the fixed hourly rate will be \$10/hour.

For skills-based volunteering where specialised or technical skills, knowledge, or expertise is required to be applied, the fixed hourly rate will be \$20/hour. This is pegged to twice the rate for general volunteering. A higher rate of \$20 is accorded to encourage businesses to tap on their expertise and services to strengthen the capabilities of an IPC.

Businesses can still choose to claim tax deductions based on actual wage expenditure, subjected to IPC's endorsement and entitlement cap.

2. What type of services qualify as skills-based volunteering?

Services which necessitate a qualifying employee to apply work-related expertise, as required by the IPC, will qualify. The expertise provided by the volunteer need not necessarily be restricted to the industry or trade of the employer he is working for.

As the volunteering service is a partnership between the IPC and the business, IPCs are best placed to assess the nature of the service. IPCs will hence endorse the nature of the volunteering service, and the corresponding fixed hourly rate.

Examples of skills-based volunteering activities include:

- Pro bono audit work for IPCs by an audit firm
- IT services for IPCs by IT-solution companies, such as the development of software/tools
- Accounting services provided by an accountant of a law firm

Examples that do not qualify as skills-based volunteerism:

- Food catering vendor offering food and catering services
- Moving company transporting goods for the IPC

Interaction with other schemes

3. How does CVS interact with the matching grant under the Share as One Programme administered by the National Council of Social Services?

A single Corporate Social Responsibility initiative may benefit from either the matching grant under the Share as One Programme or CVS, but not both.

CVS Guides for IPCs – 5 Steps to Tap on CVS

#1: Identify Needs

Consider:

- What are my priorities for the next 2-3 years?
- What kind of services do I need most?

#2: Identify Business Partner

Consider:

- Am I currently partnering any businesses that can meet my needs?
- Does the business have expertise or experience in the field I require help?
- Can the business commit to seeing through the voluntary service?

An IPC can endorse up to \$50,000 of qualifying expenditure in each calendar year for 250% tax deduction. You need to track utilisation of the \$50,000 cap and not endorse businesses' declaration forms past the cap. When the cap is reached, you should inform the business. Nonetheless, the business can (and should) choose to continue giving!

#3: Reach an Agreement

Agree upfront on:

- Type of service
- Duration of services
- Estimated expenditure

Check whether:

- Your \$50,000 cap has been exceeded
- The type of expenditures are qualifying expenditures
- The estimated expenditures are reasonable

#4: Evaluate the Business' Services

The business must seek your endorsement for the actual expenditure. You must then update your own records on its utilisation of the \$50,000 cap.

Consider:

- Was the *amount of expenditure reasonable*? You may wish to check against past expenditures of the IPC.

#5: Submit CVS Data

Log on to [myTax portal \(mytax.iras.gov.sg\)](https://mytax.iras.gov.sg) and submit [the declaration form](#) (including Forms A & B) to IRAS, by end-Jan of the following year – late submissions will not allow businesses to qualify for the tax deduction.