

TAX TIPS for Unit Treasurers

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In Guiding there are 4 different ways we look at tax, specifically the GST, and for Unit Treasurers there is a specific way of recording and dealing with each one.

1. GST Refunds, also called rebates
2. GST we pay to stores who sell us stuff , or to people who perform services for us
3. GST we pay to other GGC entities
4. GST we collect on behalf Canada Revenue Agency, which we then have to pay to Canada Revenue Agency

You will see as we go through this that you probably need to create a few more columns on your spreadsheet, in order to keep track properly.

1. GST Refunds

First you need to know that we are entitled to make an annual claim for a 50% refund of the GST we pay to non-Guiding stores or service providers. Usually the District claims this refund, because most units pay so little GST over the course of a year, it is not worth it to make the claim at the unit level (we should have a minimum \$30 in GST to claim the refund).

2. GST we pay to stores, or to people who provide services

Examples: the craft shop, the dollar store, the grocery store (non-food items), Planet Lazer, Cliffhangers, or the Parks Board nature guide

Each of these vendors adds GST to the bill. When you are recording the expense on your spreadsheet, the GST amount goes in the **GST REGULAR** column, and on the same line of your spreadsheet, the rest of the expense goes in the column for that expense. See *Example 1* on the sample spreadsheet.

Note that the total of the 2 expense columns equals the total cheque amount in the **CHEQUE** column.

3. GST we pay to other GGC entities

Example: the Guide Store

The Guide Store also adds GST to your bill; but remember, we are all part of “Girl Guides of Canada”. So we *cannot claim a refund on tax paid to ourselves!*

Since we can’t claim a rebate for this tax, we don’t need to record it separately on the spreadsheet. Instead the entry would look like *Example 2* on the sample spreadsheet.

4. GST we collect on behalf of Canada Revenue Agency, and pay to CRA

- Canada Revenue Agency says we must collect GST on the fees we charge for certain activities. For most units this means any overnight activity such as a sleepover or camp (we'll just call it 'camp', but remember it applies to sleepovers too). Rangers may be required to charge GST on other daytime activities as well, because of the age of their girls. See the decision-making flowchart later in this handout.
- We then have to pay ("remit") the collected GST to Canada Revenue Agency, through Area. Because of timelines, this is the *one* time you do not have to pay through District.
- BUT! Before we remit the GST, we can first reduce the amount owing, by claiming a 100% refund of the GST we paid on expenses connected with the overnight activity. These are sometimes called ITCs or Input Tax Credits.
- The net GST amount [GST collected, minus GST paid on camp expenses] must be remitted to Area by the 10th day in the month following the activity. So if your camp is held April 15-17, you must pay GST to Area by May 10th.

Camp Fees

First we have to determine how to charge the parents, either:

- (A) Camp Fee is X Dollars + 5% GST *or*
- (B) Camp Fee is X Dollars (including GST)

Method A is simpler to deal with, but sometimes we tell the parents the cost as a round number. So, using Method B, see *Example 3* on the sample spreadsheet for how you would enter the fees, and how you would allocate the GST that you have collected as part of the fees.

Note: the GST reallocation entry needs to have a zero value in the bank columns – so you enter a negative number in the CAMP REVENUE column, and enter that positive number in the GST COLLECTED column. You are in effect saying "this revenue wasn't collected for camp fees after all; it was collected for GST"

Camp Expenses

We know we will get a 100% refund of any GST paid, so when we record the camp expenses, we record the GST in the GST CAMP column. See *Example 4* on the sample spreadsheet.

Tax Time!

When camp is over, it's time to remit the GST that we collected for the government, and take our 100% refund of the GST we paid for anything to do with the camp.

First, the Event GST form – see page 4. All the information you need is already on your spreadsheet, and in the expense claim forms relating to the event.

Now, write a unit cheque for the amount of GST to be remitted; make the cheque payable to your Area – see *Example 5* on the sample spreadsheet for how to record it. (Note that the total of the GST COLLECTED column equals the total of the GST CAMP column and the GST REMITTED column).

Send the cheque and both forms to the AREA Treasurer, by the 10th day of the month following your camp. Keep a copy of the Event GST form with your financial records.



1st Vancouver Sample Unit

							EXPENSES					REVENUE		
	Description	chq#	✓	Deposit	Cheque	Running Balance	GST Regular	GST Camp	GST Remitted	Badges & Pins	Crafts	Camp Apr.15-17	GST Collected	Camp Apr.15-17
						585.93								
Example 1	Feb.18	Greta Guider	64	✓	19.90	566.03	.95				18.95			
Example 2	Feb.25	Lori Leader	65	✓	66.08	499.95				66.08				
	Mar.15	Camp Olave	79	✓	256.00	243.95						256.00		
Example 3	Mar.31	Deposit		✓	1000.00	1243.95								1000.00
	Mar.31	Allocate GST collected		x		1243.95							47.62	-47.62
Example 4	Apr.15	ABC Bus Company	80	✓	557.00	686.95		26.52				530.48		
	Apr.23	Greta Guider	82	✓	282.73	404.22		4.25				278.48		
Example 5	Apr.30	West Coast Area	83		43.21	361.01			16.85					
					1000.00	1224.92	.95	30.77	16.85	66.08	18.95	1064.96	47.62	952.38

CAMP/EVENT GST FORM

(Please use separate forms for each event)

Area/District/Unit/Campsite	<u>1st Vancouver Sample Unit</u>		
Mailing address	<u>c/o your home address</u>		
	<u>Vancouver, BC</u>		
Contact name	<u>Your name</u>		
Phone number	<u>Your phone number</u>	(H)	(W)
Date	<u>Date of Camp</u>	Event name:	<u>Camp Olave - Spring Camp</u>

GST Collected on Camp/Event Fees:

(choose one method)

GST

Fees: per participant x # of participants x .05 = \$ - (A)
(NOT including GST)

OR:

Fees: 100.00 per participant ÷ 1.05 x 10 # of participants x .05 = \$ 47.62 (A)
(including GST)

GST Paid on Expenses:

Input Tax Credit
(GST paid on camps/events)

Event supplies, food, program supplies, craft supplies,
campsite rental/accommodation, transportation, other

Receipts Total
(including GST)

Total GST on
expenses

1,095.73 30.77 (B)

Rebate Claim:

Total GST paid on non-event & non-GST chargeable
event expenses (excluding Guide Shop purchases)

Total GST paid

GST x 50%

\$ - (C)

SUBTRACT lines (B) and (C) from line (A)

(A) - (B) - (C) = \$ 16.85 (D)

If line (D) is:

A positive figure, enclose cheque for amount

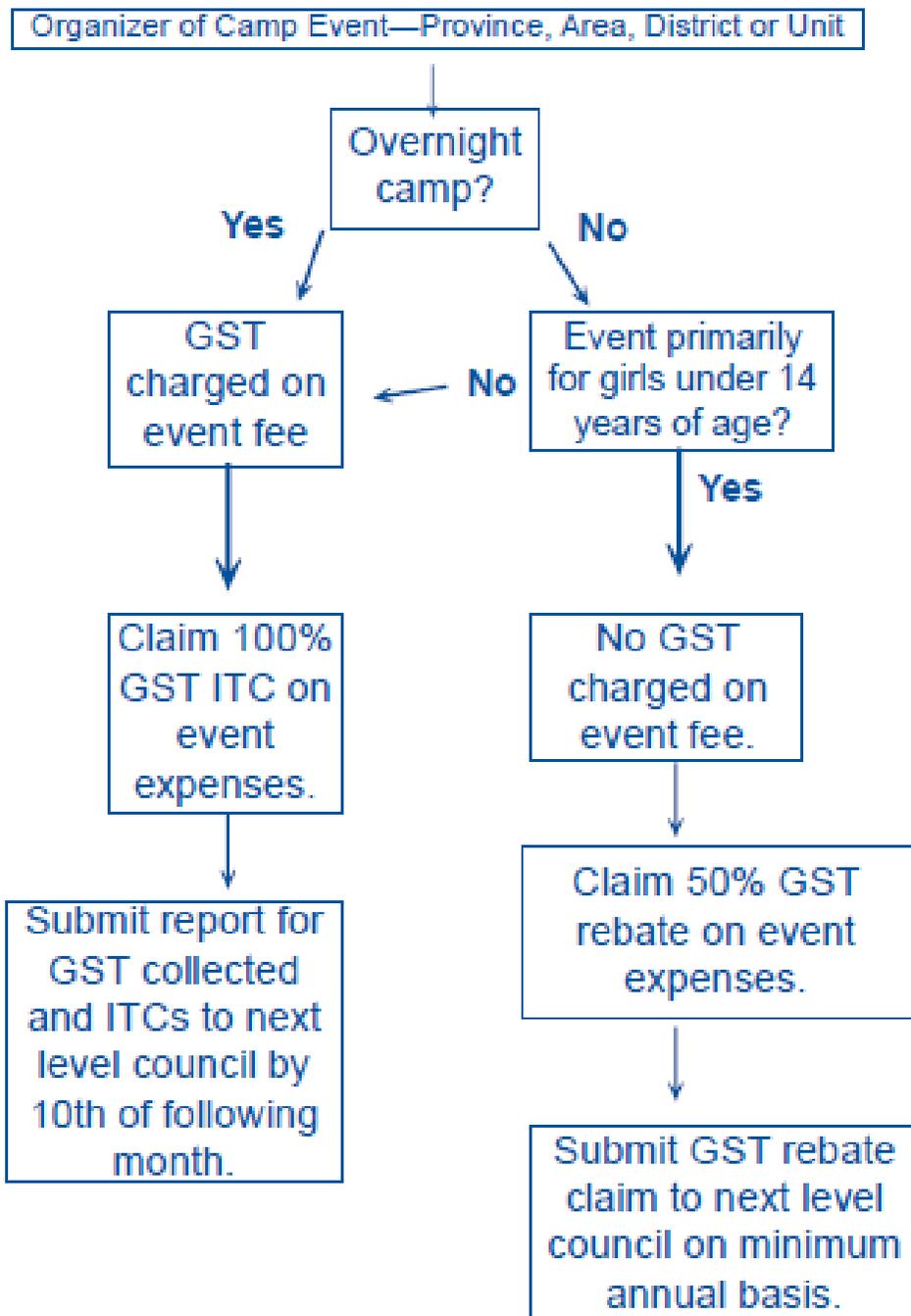
Net Payment \$ 16.85

A negative figure, request rebate for amount

Net Rebate \$ -

GST on Camp Events

Decision Tree Flowchart



FREQUENTLY ASKED QUESTIONS

Q. Why is Guiding making us deal with taxes?

A. This is not something Guiding thought up for you to do – it’s something that Canada Revenue Agency says we **MUST** do. Scouts Canada and other non-profit organizations are in the same boat – we are all required to collect and remit GST/HST to Canada Revenue Agency when we hold taxable events.

Q. What if I don’t have all the receipts for the camp by the time I have to pay the GST?

A. You are supposed to remit GST anyway, by the 10th day of the month following the month in which your event was held.

When you **DO** get those late receipts, you may prepare a second Event Form with the additional information, and re-submit it, so that your unit can receive the full 100% rebate.

Q. What if part of the cost of camp is subsidized?

A. Good question! There are several different scenarios to consider:

- (a) If Guiding is subsidizing the camp as a whole – then GST is calculated on the event fee charged to the parents and the subsidized amount is not included.
- (b) If a girl is receiving an individual subsidy or campership, or if she is using cookie sales credits to reduce her payment – then the GST portion of her fee is based on the full fee for the event, the fee that was charged to everyone else.
- (c) If there are different event fees based on the type of camper (e.g. a district or area camp where different branches pay different fees), then GST is calculated based on the number of girls at each different fee amount.
- (d) If Guiding fully funds an event and there is **NO** event fee, then the associated expenses are **NOT** eligible for the 100% tax credit, because you have not collected any GST. You can, however claim the 50% GST rebate for these expenses.

If your unit can afford to subsidize camp fees, that means less GST gets collected, and it reduces the amount of GST that will have to be paid to Canada Revenue Agency.

Looking at our example camp, suppose the unit had only charged \$75 per girl, and covered the rest of the cost from unit funds. Then the calculation would have looked like this:

GST collected on fees	\$35.71
GST paid on event expenses (same as before)	\$30.77

GST to be remitted to Area	\$4.94

By subsidizing 25% of the event fee, the unit’s GST remittance is reduced by almost 75%.

Q. Does it ever work out that instead of owing GST to Canada Revenue Agency, we get a refund instead?

A. Yes, it does

Q. So if we subsidize the fees and I think we’re owed an GST refund for our camp, do I still have to send in the forms by the 10th day of the month following the camp?

A. Yes. We still have to report the collection of GST.

Q. Our remittance is \$1.65! Do I really have to write a cheque for such a small amount?

A. In West Coast Area, any amount less than \$2.00, whether a GST payment or a GST refund, will not be paid. However, the Event GST Form should still be sent to the Area Treasurer, for their records.

Q. How do I get our remittance to the Area Treasurer; do I give it to my DC?

A. You should mail your Event GST form (and your unit cheque if required), directly to the Area Treasurer. In West Coast Area, send it to:

West Coast Area Finance Team
Box 11395 Wessex PO
Vancouver, BC V5R 0A4

This is the one time in Guiding that money flows directly from the Unit to the Area without going through the District first.

Q. I'm still confused – is there someone who can help me?

A. Yes -- your District Treasurer
or a financial Trainer
or someone on the Area Finance Team wca.treasurerteam@gmail.com
or the provincial treasurer bc-treasurer@girlguides.ca