

GIRL GUIDES OF CANADA-GUIDES DU CANADA NOVA SCOTIA COUNCIL

HST Guidelines

Guider Toolkit

September 2013

Table of Contents

[HST Reporting Tips for Treasurers 2](#_Toc367714077)

[Answers to Frequently Asked Questions 3](#_Toc367714078)

[Why do we have to deal with taxes? 5](#_Toc367714079)

[Appendix A: HST on Camp/Event Decision Tree Flowchart 7](#_Toc367714080)

[Appendix E: Definitions for GST/HST 8](#_Toc367714081)

[Appendix F: Contact Information 8](#_Toc367714082)

# HST Reporting Tips for Treasurers

In Guiding, there are four different ways we must look at HST, and for treasurers there is a specific way of recording and dealing with each one.

1. HST refunds (also called rebates) come from the HST part of the cost of things we buy at stores, or people who perform services for us.

2. HST we pay to other GGC entities, such as the National online store.

3. HST we collect, on behalf of Canada Revenue Agency as part of registration fees for many activities, which we then have to pay to Canada Revenue Agency.

4. HST Tax Credits that come from the same things as the HST Refunds in #1 but are for the things we buy for the activities in #3.

You will see as we go through this that you probably need to create a few more columns on your spreadsheet (Appendix C includes a sample unit spreadsheet), in order to keep track properly and make the submission of your HST remittance or rebate forms easier (Appendix B).

**1. HST Refunds**

First you need to know that we are entitled to make an annual claim for a refund of the HST we pay to non-Guiding stores or service providers. It may seem that, because your unit pays so little HST over the course of a year, it is not worthwhile preparing the paperwork to claim the rebate. Just remember, a little bit of work and you can receive that small refund from the government to add to your unit’s bank account.

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 places adds HST to the bill. When you are recording the expense on your spreadsheet, the HST amount goes in the HST 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 in Appendix C. Note that the total of the two expense columns equals the total cheque amount in the CHEQUE column.

**2. HST we pay to other GGC entities**

Example: the National online Guide store

The Guide store also adds HST to your bill; but remember we are all part of “Girl Guides of Canada” – one legal entity. So we *cannot claim a refund on tax paid to ourselves*! Since we cannot claim a rebate for this tax, we do not need to record it separately on the spreadsheet. Instead, the entry would look like *Example 2* on the sample spreadsheet in Appendix C.

**3 & 4. HST we collect on behalf of Canada Revenue Agency, and pay to CRA**

* Canada Revenue Agency says we must collect HST 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 HST on other daytime activities as well, if the age of their girls is mostly over 14 (check the HST Decision Flowchart in Appendix A).
* We then have to pay (“remit”) the HST we collect to the 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 HST, we can first reduce the amount owing, by claiming a 100% refund of the HST we paid on expenses connected with the taxable activity. These are called ITCs or Input Tax Credits.
* The net HST amount [HST collected, minus HST paid on camp expenses] must be remitted to Area by the 10th day in the month following the activity. Therefore, if your camp is held April 15-17, you must pay HST to Area by May 10th.

# Answers to Frequently Asked Questions

Below is a list of answers to some frequently asked questions to help you out further.

|  |  |
| --- | --- |
| **Frequently Asked Questions** |  |
| Which events are covered under this requirement? | This requirement must be applied to all events, except for day activities that are attended primarily (more than 50%) by girls under 14 years of age. |
| Does the HST need to be collected on day camps? | No, the CRA regulation is focused on children’s “camps involving supervision or instruction in recreation or athletic activities.” |
| Is HST to be charged on use/rental fees by Guiding properties? | No, this requirement is related to the activity or event and not the property. CRA provides for an exemption of HST to registered charities, such as Girl Guides of Canada, on facility rentals. |
| Do we need to include the HST number when charging HST? | Yes. Check with your Provincial Office/Treasurer for your Province’s HST number. |
| Are there any camp/events or activities that are exempt from HST? | Yes, when it is a day camp and the camp participants are primarily (i.e. more than 50% of participants) under 14 years of age. |
| How is the HST calculated? | Calculate the HST on the full participant registration fee.  |
| Do units need to collect HST from the girls who attend their camps?  | Yes, all Guiding levels must charge HST on all its fees related to camp events and activities. |
| Do independent or International trips need to charge HST? | Maybe, the determining factor will be the location of the trip. CRA does not require HST to be charged on services performed outside of Canada. This means that International trips are exempt from HST. |
| In a situation where another level or group within Guiding subsidizes the cost of girls attending a camp/event, what amount should be used to charge HST, the full registration fee or the amount that is net of the subsidy? | The HST is to be charged, by the group that is organizing the camp/event, on the full registration fee.  This means if an Area charges $100 per girl then the HST should be charged on the full $100, even if a District chooses to assist each of their girls by paying $25 of that fee.However, if the Area only charges $75 to each girl and a lump sum subsidy is provided to the Area to cover a portion of the camp/event costs – the key here is the subsidy amount would be considered as a donation or sponsorship and should not be billed by the Area as a portion of the event fee and not billed to the girls. |
| What are Input Tax Credits? | Input Tax Credits (ITC) are refundable amounts available on certain purchases. They may be claimed at 100% of the HST paid on expenses directly related to a camp/event. |
| Who is eligible for Input Tax Credits? | Any group that holds a camp/event and has collected the applicable HST from the participants is eligible for ITC on expenses directly related to that camp/event.  |
| What is a HST rebate? | The HST rebate is an amount a Guiding entity may claim that has not already been claimed as an ITC. The rebate is calculated as a % (varies by Province) of the eligible HST expenses. Note: HST charged on GGC store purchases cannot be claimed as part of the rebate. |
| Who needs to report the HST? | Any group that hold a camp/event where HST is applicable.  |
| When are these reports due? | Check with your Provincial office for the due dates. |
| Where can I get the NS HST report forms? | They are available online at :[NS Forms Page](http://www.girlguides.ns.ca/WEB/NS/Volunteers/Guider_Resources/Forms/NS/Volunteers/Guiders_Resources/NS_Forms.aspx?hkey=35972bfc-4e52-43e7-98e7-75b56440a573) or [www.girlguides.ns.ca-](http://www.girlguides.ns.ca-)> Volunteer Tab-> Guider Resources-> Forms |
| Where can I find examples of how to calculate HST on camp/event? | Here are a few examples that should help:1. You are taking your group for a two-night camp. The event registration fee is $25 per girl plus HST. HST is calculated at $25 x 15% = $3.75 for a total fee of $28.75 per girl, in this example $25 will be available to cover the event costs and the $3.75 HST will be reported and submitted. HST paid out on the event costs (i.e. activity supplies, etc.) can be claimed as a 100% ITC to determine the net amount of the HST claim either payable or receivable.
2. You are taking your group for a two-night camp. The event registration fee is $25 per girl including HST. HST is calculated at $25 x 15 / 115 = $3.26 per girl, the $21.74 balance of the fee will be available to cover the event costs. HST paid out on the event costs (i.e. activity supplies, etc.) can be claimed as a 100% ITC.
3. You are arranging a one day event for your Brownies (primarily under 14 years of age). The event registration fee is $5 per girl, HST will not apply. HST paid out on the event costs (i.e. activity supplies, etc.) can be claimed as a rebate.
 |

# Why do we have to deal with taxes?

These guidelines have been created to assist Girl Guide Leaders and Treasurers to better understand the application of HST on camping events or activities.

The Canada Revenue Agency (CRA) requires Girl Guides of Canada to charge and remit HST on certain activities. It has been mandatory since 1997 for GGC to charge HST on overnight camping/events or activity fees.

The HST Decision Tree Flowchart in Appendix A is a visual aid to assist Guiders in determining if HST should be charged on a camp/event fee. This flowchart summarizes many frequently asked questions. When HST is to be charged on camp/event fees then the HST Camp/Event Form in Appendix B is to be completed. HST can either be added to the camp/event fee [$20.00 \* 0.15 (HST rate) = $3.00 HST, total fee is $23.00] or included in the event fee [Total fee is $20.00, $20.00/1.15 \* 0.15 (HST rate) = $2.60 HST]. When HST is charged on a camp/event, Guiders can claim 100% of the input tax credits (ITC) incurred on those camp/event expenses.

**What happens if the camp/event fee is subsidized?**

If a camp/event fee is taxable but the unit subsidizes 100% of the event fee, the HST Event form must contain a zero for the amount of HST collected. If zero HST is collected, then the net tax calculation cannot be used and 100% of the input tax credits on the camp/event expense cannot be claimed. However, a rebate can be claimed for these expenses. Please complete the HST Camp/Event form, Appendix B, to claim the rebate.

When implementing the HST remember that two types of reporting for HST are being used:

1. The **Net Tax Method** for taxable events where HST is collected and 100% of Input tax credits (ITC) are claimed; and
2. The **Public Service Body** **Rebate** of 50% of the HST paid. Appendix D outlines the HST for public service body rebates obtained from the CRA website [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca).

**Charging HST on Camp/Events:**

If you are organizing a camp event, you will have to charge the participants HST (unless your event is a day activity for girls primarily aged 14 and under). See the HST Decision Tree Flowchart for guidance. Where HST is required to be charged, it must be collected on the full participant fee for these camp/events. Please include the HST number on the receipts or invoices.

**Charging HST on Camp Properties:**

If your GGC property is being used for an overnight camp, or other event, you do not charge HST on the rental charged. As a registered charity, GGC is provided with an exemption.

**HST Paid on Expenses:**

Expenses incurred that are directly related to taxable camp events are eligible for a 100% return (Input Tax Credit (ITC)) of the HST paid. Other expenses remain eligible for a rebate of a % of the HST paid (% varies by Province – please contact your Provincial office for details).

**When are reports due?**

The HST Camp/Event form, Appendix B, is to be submitted to your Provincial office after the camp/event is over. The Units and Districts are to submit the HST Camp/Event form to the Province. Please contact your Provincial office for the due date. The reason for the Units to send this form directly to the Province is to speed up the process. These due dates were set so that the Provincial office would have the HST Camp/Event form in time to record the amounts on Provincial monthly HST return, which must be filed with CRA by the end of the month following the month the event was held. For example, camp/event held in August, Provincial office must file HST with CRA by September 30th.

**Filing rebate request with Province:**

The frequency of when the HST Camp/Event form is to be sent to your Provincial office will be determined by the Provincial. Please contact the Provincial office for details.

When the HST Camp/Event form is submitted, and if HST is owing, a cheque is to be sent with the form to Province from the Area, District or the Unit. If a Unit or District is entitled to a refund of HST, the form is submitted to Province and Province will write a cheque for the HST refund.

**Guiders**

Plan your camp as usual. Consider whether you are required to charge HST to your participants (the decision tree flowchart in Appendix A will be of assistance). For ease of tracking by Guiders you may quote the fee as “including HST” then pull the portion that represents the HST out of the total. The Sample Unit Spreadsheet in Appendix C is a useful resource for tracking HST collected and paid and will assist you in completing the camp/event HST form in Appendix B.

**Treasurers**

If your group is organizing an overnight event (or a day activity for girls primarily over aged 14), you should set up “HST Collected – Camps” and “HST Paid – Camps” accounts in your financial recordkeeping system (i.e. create new columns if you are using spreadsheets – see Appendix C for an example). You will need to complete and submit the HST Camp/Event Form in Appendix B monthly along with a cheque for the applicable HST payable, if appropriate. The HST Paid account you have already set up will be used for other regular Guiding activities. You will record this HST separately, and file for a rebate as per current procedures.

# Appendix A: HST on Camp/Event Decision Tree Flowchart

Organizer of Camp/Event-Province, Area, District or Unit

Overnight camp/event? (If it is fully subsidized by the unit (i.e. no HST is collected), submit rebate claim.

**Yes**

**No**

**No**

Camp/Event primarily for girls under 14 years of age?

HST charged on camp/event fee

**Yes**

Claim 100% HST ITC on camp/event expenses

No HST charged on camp/event fee

Submit camp/event HST form for HST Collected and ITCs to next level council by 10th of following month

Claim % (varies by Province) HST rebate on camp/event expenses

Submit HST rebate claim to next level council on minimum annual basis

# Appendix E: Definitions for GST/HST

**GST and HST**

The GST or goods and services tax is a tax that you pay on most goods and services sold or provided in Canada. In New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island, the GST has been blended with the provincial sales tax and is called the HST or harmonized sales tax.

**Input tax credit (ITC)**

An ITC is a credit that [GST/HST](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/glssry-eng.html#gst) [registrants](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/glssry-eng.html#registrant) can claim to recover the GST/HST that has been paid or is payable for goods or services they acquired, imported into Canada, or brought into a [participating provin](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/glssry-eng.html#province)ce for use, consumption, or supply in the course of their [commercial activitie](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/glssry-eng.html#commercial)s.

**Public service body**

Public service body means a charity, non-profit organization, a municipality, a university, a public college, a school authority, or a hospital authority.

**Public service bodies' rebate**

A special GST/HST rebate allows certain charities to recover 50% of the GST and the federal portion of the HST paid or payable on their eligible purchases and expenses for which they cannot claim input tax credits (ITCs). Charities may also be able to claim a public service bodies’ rebate for some of the provincial portion of the HST if they are a resident in a participating province.

# Appendix F: Contact Information

**Nova Scotia Council**

1-800-565-8111
902-423-3735
finance(@)girlguides.ns(dot)ca