



MISCELLANEOUS TID-BITS WORTH KNOWING

There are some financial areas that I have notice some treasurers and bookkeepers are not familiar with, or have received the wrong information from someone else. So I thought I would clarify these areas in the newsletter:

GST on Gaming Funds

If you are registered for GST, you will record your GST paid as an ITC (Input Tax Credit) to calculate the refund or liability from or to CRA at the end of the quarter or the end of the fiscal year, depending on your reporting period.

What some of you do not take into consideration is, that if you record the GST paid for taxable expenses from your bingo, casino or pull ticket cash, whatever you are getting back as an ITC should be deposited into your gaming accounts.

The best way to handle this is that you set up a GST paid for each of these accounts. This will make it easier to divide the appropriate portion to the individual accounts, when you receive the refund. If you don't receive a refund, you may have to transfer these funds from your general bank account.

GST on Exempt Purchases

As most not for profit organizations, who are registered for GST have taxable and exempt activities, be aware, that you cannot claim an ITC on exempt activities e.g. you have activities for children under 14 years of age and you purchase supplies for \$ 1,000 plus GST, your total expense will be \$ 1,050 . Review your GST paid to check, whether you ``accidentally `` set up an ITC for your exempt activities.

Reimbursements for Expenses paid from Gaming Funds
Often not for profit groups will paid certain expenses from Gaming Funds, which retro-actively get reimbursed by grant funding or special donations. This funding should be deposited to the gaming account from which the payment was made.

A good example is the Capital Conservation Grant received from the City of Calgary, which is reimbursement for expenses already paid. Another example may be an insurance refund.

Also watch, that the Capital Conservation Grant includes the GST reimbursement, so if you claimed it already from CRA as an ITC, you will have to pay it back.

Volunteer Credits

If you are giving volunteer credits, they are a liability at this point in time and should be set up as such. When they are being traded in, the liability should be reduced.

These results in an expense at the time the volunteer credits are given out and a liability (debit Volunteer Credit Expense, credit Volunteer Credit Liability). When the volunteer credits are redeemed e.g. for sports revenue, you decrease the liability and increase a revenue (debit Volunteer Credit Liability, credit Revenue e.g. soccer, baseball etc.).

Key Deposits

It is the practice for some NPOs, that they give keys to the office or the hall to volunteers and staff. Often nobody knows who actually has a key. Volunteers or staff may leave and don't return the key. The office or hall gets broken into. There is no sign of a forced entry. The police will ask who has a key. This may cause some awkward situations.

What some NPOs find helpful is that they ask all volunteers and staff for a key deposit or to sign for the key taken out. This way there is a record and you can approach them before leaving the volunteer position or employment to return the key. As this is an internal control item, add this to your Policy Manual.