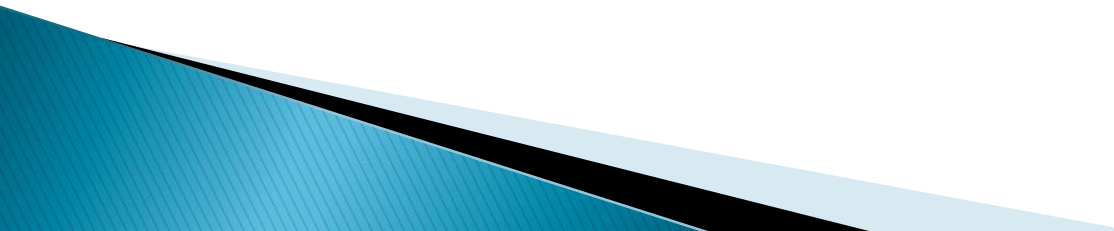


Getting Ready for HST – BC Curling



HST intro covering...

- ▶ HST Basics
 - ▶ HST on the Revenue side
 - ▶ HST on the Expense side
 - ▶ Checklist for preparing
 - ▶ Where to go for more information
 - ▶ Questions?
- 

HST Basics

HST...by Google

- Hubble Space Telescope
- Harry S. Truman
- Hawaii Standard Time!
- Health Sciences & Technology
- Helicopter Support Teams
- Harpers Special Tax

....Harmonized Sales Tax – moving to an integrated single tax



Harmonized Sales Tax

- ▶ 12% Combining PST & GST tax to create a single sales tax
 - Merging PST 7% plus GST 5%
 - BUT...HST will apply to things that PST did not apply to
 - BUT...you will get input credits for HST (for the PST too!) you did not previously get

AM I GOING TO BE AHEAD OR BEHIND???



Basic principles

...if it had GST before...it now has HST.

- Continues the GST principles – goods and services are:
 - Zero-rated
 - Taxable
 - Exempt

...if it got a GST input tax credit before...it gets an HST input tax credit now

- The extra HST provides more input tax credit
- The PST you paid before now part of input tax credit



HST & Revenues

- ▶ GST 5% now HST 12%
 - Review current revenues with GST
 - Adult curling fees
 - Rentals
 - Pro-shop merchandise
- ▶ Liquor HST 12% – decrease!
- ▶ Pricing concerns for end users
- ▶ Update Forms
 - Receipts, Invoice Templates, Rental Forms, Contracts, Brochures, Price lists



The Expense side



- ▶ Increased expense of 7% on items previously only incurring GST
 - Services – janitorial, contractors
 - Rent
- ▶ Input Tax Credit now get the 12% charged on all the HST.
 - Rebate on GST portion tax being paid but also get rebate on PST you were paying before.
- ▶ Analyze net impact –
 - what expenses have GST? GST & PST? Neither?
- ▶ Set up tracking for HST paid
- ▶ Purchases from out of province?
- ▶ Update forms – expense forms, others?

Key dates



- ▶ July 23, 2009 – BC Govt announces HST
- ▶ October 14, 2009 – Transitional rules announced and implemented
- ▶ May 1 2010 – HST applies to consideration that becomes due or is paid on or after this date, for property and services provided on or after July 1, 2010
 - ▶ In addition, the HST would generally apply to prepayments starting on May 1, 2010, for goods or services that would be provided on or after July 1, 2010
- ▶ July 1 2010 – HST applies to goods and services

Transitional Rules...

- ▶ Specific rules regarding treatment of some items for the transition year – examples
 - Subscriptions–HST not applicable if paid before July 1, 2010
 - Generally, the HST would be charged on a purchase where payment is made or becomes due after April 2010 but delivery of the goods or service is made on or after July 1, 2010
- ▶ Check your contracts, leases and other agreements that cross over July 1

Confirm your interpretation!



Point of Sale rebates

- ▶ The vendor automatically credits the provincial part of the HST and only collects the 5% federal part of the HST payable on the sale of specified items
 - Children's clothing, children's footwear
 - Note – clothing that is CHILD sized is HST(PST) exempt (was age restricted before)
 - Books
- ▶ Choices for showing on receipts...



Receipt options...for POS rebate

- ▶ Can show receipt with tax and then rebate
 - $\$100 + \$12 \text{ tax} - \$7 \text{ rebate} = \105
- ▶ Can show receipt as 5% HST only –
 - $\$100 + \$5 \text{ tax} = \$105$
- ▶ Can show receipt as 5% HST tax included –
 - $\$105 \text{ tax included}$

Your choice – but impact for your pricing, presentation, price lists and software program abilities



Planning & Checklist



- ▶ Do the work on Impact for you –cashflow too!
- ▶ Review revenues – what do you charge GST on now?
- ▶ Review expenses – What PST do you currently pay? What will you now have to pay?
- ▶ How much HST will you recover ?
- ▶ Changes for Pricing impacts and decisions ?
- ▶ Transition issues – review projects or services straddling July 1 implementation ?
- ▶ Out of province purchases – self assessing ?

Analyzing impact – Sample

Revenues	Gross	GST	PST	Total	Now HST	Consumer cost
Adult Curling dues	10,000	500	0	10,500	1,200	11,200
Rentals	2,000	100	0	2,100	240	2,240
Merchandise	1,000	50	70	1,120	120	1,120
Totals	13,000	650	70	13,720	1,560	14,560

Taxes collected

720

1,560

Analyzing impact – Sample

Expenses	Cost	GST	PST	Total	HST	Total with HST
Wages	5,000	Nil	Nil	5,000	Nil	Nil
Contract	2,000	100	Nil	2,100	240	2,240
Supplies	4,000	200	280	4,480	480	4,480
Rent	2,000	100	Nil	2,100	240	2,240
Totals	13,000	400	280	13,680	960	13,960

Taxes paid	680	960
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Now see if you are ahead or behind!!!

What are you sending to the Federal for HST now vs What you were sending before to the Province (PST) and the Federal government (GST)

Checklist of Other items...

- ▶ IT systems –
 - Software updates or patches? Software setup of tax rates, impact to existing registrations? Testing!
 - Handling refunds or credits/returns under old rates
 - Table setup and review items for correct tax setup
 - Receipting options and display
- ▶ Accounting systems –
 - check your tracking setup
 - Add new systems codes to track HST charged, HST (PST) paid and HST(GST) paid if needed
 - POS rebate treatment



More information

Canada Revenue Agency – www.cra-arc.gc.ca

Free Information seminars – still some dates in communities
Bulletins – HST for Non-profits

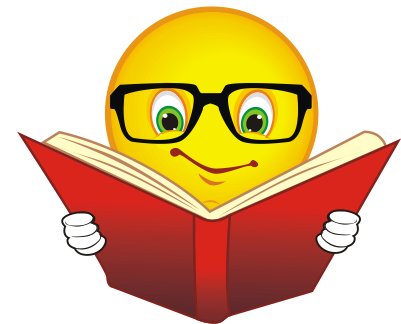
BC Government – www.gov.bc.ca/hst/

Final PST remittances and basic background

Your Accounting firm – guidance, articles and interpretation

Including info:

- Excise Tax Act
- HST Place of supply rules
- HST Transitional rules
- HST Self assessment rules
- BC Specific rules



Other help – Assessing your club

▶ Financially

◦ Revenues

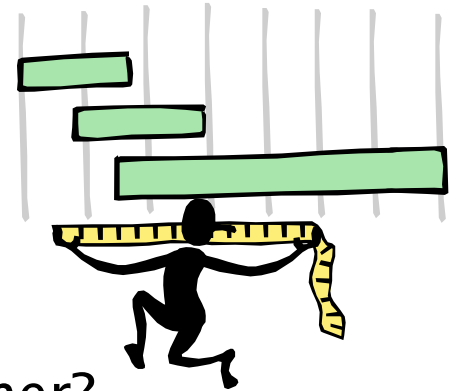
- Graph it – by type, by league, by source
- Where does it come from?
- How diverse are the sources?

◦ Expenses

- Look at the types – ice related, bar related, other?
- Where is it going?
- Separate it – what is fixed and what is variable



What else to measure?



▶ Ratios & Market information

- Margin, % wages, productivity ratios, other?
- Who are you serving, what ages, how often, from where?
- How many volunteers? How many hours? Who benefits?

▶ Why track this ????

- Comparisons – years, other clubs, other operations
- Grants – government or foundation grants often want to know who and how many their grant will impact.
- Sponsors – show sponsors the potential exposure they will receive from their support.

Other Help – Curling Business

CCA www.curling.ca

- Programs & Services
 - Programs & Services for Curling Clubs
 - Best Practices and Tips
 - Sample bar reports, club surveys, sample newsletter, sample job descriptions, sample employee agreements
 - Club Operations Manual
 - Board, Volunteers, Bonspiels, Junior programming, Membership, Operations, Promotion

Gaming Grants www.eia.gov.bc.ca/gaming/grants

Possible Direct Access Capital Grants – Fall 2010

Community Grants – Youth and adaptive curling