

# **IRWA Canadian Goods and Services Tax**

**Chapter Treasurer, IRWA  
Headquarters and Accountants  
Responsibilities**

# **IRWA's Structure:**

- **The International Right of Way Association (IRWA) is a not-for-profit professional organization, specializing in education and professional development courses in the United States and Canada. The IRWA is registered for GST/HST and this registration covers all Canadian chapters.**

# Goods and Services Tax

- The IRWA is required by the Federal and Provincial Tax Acts (“the Acts”) to be registered for Goods and Services Tax (GST/HST). As a result, IRWA is responsible for collecting and remitting GST/HST on all taxable goods and services sold or supplied in Canada, and for filing compliance reports on a quarterly basis.

# Policy Overview

- It is the policy of the IRWA to charge GST/HST at the rate specified by “the Acts” on taxable supplies (as discussed on a later slide) and apply for GST/HST “input tax credit” (ITC). It is the policy of The IRWA to be in compliance with “the Acts” and all related regulations.



# IRWA Assistance to Chapters

- IRWA realizes most chapter treasurers are volunteers. IRWA also realizes that the administrative requirements to comply with the Canadian GST/HST laws is an extra burden. As a result, IRWA has engaged the services of a Canadian accounting firm, **Hogg, Shain & Scheck.**

# Accountant Contact Information:

- Accounting Firm's Name: **Hogg, Shain & Scheck Professional Corporation**
- Fax: **416-499-4449**
- Email: **[accounting@hss-ca.com](mailto:accounting@hss-ca.com)**
- Primary Contact: Julie Campbell

# **IRWA Assistance to Chapters**

- **IRWA headquarters will pay all expenses associated with the accounting firm in complying with GST/HST laws.**
- **Chapters are responsible for collecting and accounting for applicable Goods and Services Taxes.**

# What the GST Covers:

- 1) The IRWA Headquarters and its Canadian Chapters are required to charge GST/HST at 5%/13% on most items, including the following:
  - Canadian member dues
  - Course fees for courses attended in Canada
  - Textbooks, student participant course materials and instructor/facilitator materials supplied to Canadian chapters
  - Registration fees for conferences held in Canada
  - Fees charged on networking/promotional activities in Canada, such as luncheons, golf days, etc.
  - Promotional merchandise sold in Canada, such as IRWA pin, mug, T-shirt, etc.
  - Fees charged to place an advertisement on the IRWA Canadian chapters' web sites (such as a banner ad or link), or to purchase space in Canadian chapters' newsprints (such as a newsletter)

# What the GST Covers:

- 2) The IRWA is required to pay GST/HST at 5%/15% on most purchases unless the supplies are explicitly nontaxable under “the Acts”. The IRWA is entitled to claim an ITC for the GST/HST paid, subject to certain restrictions.
- Note: Only 50% of the GST/HST paid on meals and entertainment qualifies for an ITC.

# What the GST Covers:

- 3) Sponsorship donations received to fund the IRWA activities are not subject to GST/HST, as long as the payment made by the sponsor is NOT primarily (more than 50%) for advertising in a newspaper, magazine, or other publication issued periodically by IRWA or its Canadian chapters in Canada



# Responsibilities:

**In order for this system to work effectively, chapter treasurers, IRWA headquarters and the accountant must understand their roles, responsibilities and key deadlines. All three have deadlines and responsibilities to comply with the GST/HST laws.**

- **Chapter Treasurers:**
- **IRWA Headquarters:**
- **The Accountant:**

# Chapter Treasurer Responsibilities:

- All Canadian chapter treasurers are responsible for becoming familiar with current regulations concerning GST/HST for not-for-profit organizations. For reference, the link for GST/HST Information for not-for-profit organizations is:

[www.cra-arc.gc.ca/E/pub/gp/rc4081](http://www.cra-arc.gc.ca/E/pub/gp/rc4081)

All Canadian chapter treasurers are also responsible to check for periodic updates at the CRA website ([www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)) as new policies may come into effect.

# Chapter Treasurer Responsibilities:

- All Chapter treasurers are responsible for maintaining accounting records showing the amounts of GST/HST collectible and payable. A summary of the total GST/HST collectible and payable must be submitted to the “Accountant” and the IRWA Headquarters on a quarterly basis.
- All Chapter treasurers and the IRWA Headquarters are responsible for internal GST/HST account payments.

# The Accountant's Role

- Hogg, Shain & Scheck has been engaged to compile GST/HST reports from all Canadian Chapters and IRWA Headquarters. Once compiled, the Accountant will complete and submit the GST/HST returns to IRWA, who will sign and file the returns with the Canadian Revenue Agency by the specified deadlines.

## **IRWA Headquarters Responsibilities:**

- **The IRWA headquarters, as the registrant, is responsible for signing the GST/HST return.**
- **The IRWA headquarters is also responsible for filing the GST/HST return on a quarterly basis with the CRA.**
- **IRWA headquarters and/or the Accountant will have all interaction with governmental agencies on behalf of IRWA Canadian chapters.**



# Key Quarterly Deadlines

- All Canadian chapters are required to email a quarterly GST/HST report to the “Accountant” no later than:
  - April 15 (for the 1st calendar quarter)
  - July 15 (for the 2nd calendar quarter)
  - October 15 (for the 3rd calendar quarter)
  - January 15 (for the 4th calendar quarter)
- Note: When a due date falls on Saturday, Sunday, or a public holiday, submission must be made on the prior business day.



# Instructions for Completing The GST/HST Report

- The Canadian chapter treasurers should enter on the GST/HST Report only the ***totals*** of revenue and expenses for each major category. For example, if a Chapter conducts more than one educational course, only the ***total*** revenue and expenses for all courses in the relevant reporting quarter should be entered on their reporting form.
- The treasurers may add additional major categories that apply to their specific Chapter activities. ***No other modification shall be made to the standard “GST/HST Report”.***

# Using the Forms:

- Receivables and payables are to be shown WITH GST/HST
- Revenues, expenses and assets are to be shown WITHOUT GST/HST
- Enter the total GST/HST collectible in a separate general ledger account
- Enter the total GST/HST payable in a separate general ledger account

# Standard GST Reports:

- In reporting and filing, each Chapter and the IRWA headquarters are required to use the standard report spreadsheet: “GST/HST Report” supplied by the “Accountant” and identified by its chapter number.
- To receive your chapter’s form, contact Rakhshan Mazarei, Interim IRWA Chief Financial Officer, at [rmazarei@irwaonline.org](mailto:rmazarei@irwaonline.org), or telephone (310) 538-0233, ext 139.

# GST/HST Report:

- Electronic Row 4: Enter the year
- Electronic Row 5: Enter the quarter where indicated.
- Electronic Column A is Major Categories. This is a text field that should describe taxable event.
- Electronic Column B, entitled **A: Revenue (Excluding GST/HST)** should be a numeric entry showing the revenue minus the GST/HST collected at the chapter level.
- Electronic Column C, entitled **B: GST/HST charged on A)** should be a numeric entry showing the GST/HST collected on that revenue item at the chapter level.

# GST/HST Report:

- In electronic Column E, entitled **(C): Expenses (Excluding GST/HST, Meals and Entertainment)** enter the expenses against that taxable activity, excluding the GST/HST paid and any meals or entertainment expenses.
- In electronic Column F, entitled **(D): GST/HST payable on (C)**, enter the GST/HST paid on the expenses shown in Column E



# GST/HST Report:

- In electronic Column G, entitled **(E): Meals & Entertainment Expenses, excluding GST/HST** should include any meal or entertainment expenses excluding the GST/HST. That GST/HST should be entered into electronic **Column H entitled GST/HST Payable on (E):**
- In electronic Column I, entitled Total Expenses & GST/HST, the totals of the previous four columns will be calculated for you
- In electronic Column J, entitled **Notes**, you can make any additional comments



# **GST/HST Report:**

- **At the bottom of the GST/HST report form, the spreadsheet calculates the totals in each column and provides a summary report in the lower left hand corner that includes the following:**
  - **Total GST/HST charged by the chapter:**
  - **Total GST/HST payable by the chapter:**
  - **Total Due To (From) IRWA headquarters**

# **GST/HST Report:**

- **Upon completing the quarterly form, the chapter should submit the form as an electronic attachment to an email and send the email to the “Accountant” at Irina Palcikova at [ipalcikova@hss-ca.com](mailto:ipalcikova@hss-ca.com) and Rakhshan Mazarei, Interim - IRWA Chief Financial Officer, at [rmazarei@irwaonline.org](mailto:rmazarei@irwaonline.org).**
- **If the chapter owes money to IRWA, it should send a check at the same time for the amount indicated to IRWA headquarters, attention Rakhshan Mazarei. Checks should be made to IRWA. The check number should be indicated on the electronic form as the last item on lower left hand side.**

# **GST/HST Report:**

- **If IRWA owes the chapter, IRWA headquarters will send a check to the chapter within 30 days of receipt of the GST/HST report form**
- **In those occasional situations where the balance is zero, no checks need to be written by the chapter or IRWA.**

# Payment of GST/HST between Chapters and IRWA Headquarters:

- The IRWA Headquarters and Chapters will exchange checks on a **quarterly** basis.
- A) *If your chapter has an amount “**due to IRWA Headquarters**”:*
  - Send a check to IRWA Headquarters. The amount of the check must agree with the amount “due to IRWA headquarters” on your emailed quarterly report.
- B) *If your chapter has an amount “**due from IRWA Headquarters**”:*
  - IRWA Headquarters will send your Chapter a check. The amount of the check will agree with the amount “due from IRWA headquarters” on your emailed quarterly report.

# Questions/Comments?

- Please address all questions and comments about GST issues to:

**Rakhshan Mazarei**

**Interim - IRWA Chief Financial Officer**

**rmazarei@irwaonline.org**

**Telephone 310-538-0233, ext 131,**

**IRWA Headquarters**

**19210 S Vermont Ave, Bldg A, Ste 100**

**Gardena, CA 90248**