



## ISSUING RECEIPTS FOR THE CHILDREN'S ART TAX CREDIT

The program offered by Girl Guides of Canada. Guides du Canada (GGC) is eligible for the new Children's Art Tax Credit (CATC) announced as part of the 2011 budget, tabled by the federal government on June 6, 2011.

In order to claim this non-refundable tax credit, taxpayers will require a receipt containing specific information. The receipting process used in the past will need modification to encompass this specific information so that our girls' parents and guardians can claim this credit when filing their personal taxes each year. Further, the CATC is only for specific amounts paid (see below for details), the receipts must clearly explain the purpose of the receipt to minimize any issues that taxpayers could encounter when claiming the tax credit. Receipt templates have been developed capturing all the necessary information in a clear format.

### **Frequently Asked Questions**

#### **What kind of Guiding fees will be applicable for this new tax credit?**

All the Girl Guides of Canada program registration fees that are charged to the girls can be applied to this credit. This will include the annual registration fee and the cost related to rental of facilities as well as the additional registration fees that are charged for specific events and activities, such as a Unit camp or other special program related activity.

These registration fees are charged for the administration and delivery of the Girl Guides program.

#### **Will Unit dues qualify for this credit?**

Yes, the Unit dues are part of the program fees. Guiders may choose whether to collect dues as a lump sum and issue the appropriate receipt, or continue to have the girls be responsible for bringing their dues each week and track the amounts submitted and provide a receipt once or twice each year.

#### **Will parents or guardians be permitted to claim fees charged specifically for costs, such as transportation?**

No, if parents are required to pay for other costs that are not part of the program registration fees, these payments cannot be claimed as part of the tax credit.

#### **Can parents or guardians claim the cost of uniforms?**

No, the purchase of uniforms cannot be claimed as part of the tax credit.

#### **Is there an age limit for the girl to qualify for the tax credit?**

Yes, the girls must be under 16 years of age at the beginning of the year, or under 18 years of age if the child is eligible for the disability tax credit. It is advisable to issue an appropriate receipt for all program fees to avoid having to inquire about a family's private tax eligibility.

### **Are there specific time limits for an activity to qualify for the tax credit?**

All program registration fees qualify. Girls registered as Members of GGC are enrolled in a program for a full year that includes regular weekly meetings as well as additional events and activities that have a varying time range.

### **What information will be required for an approved receipt?**

To be acceptable for claiming a Children's Art Tax Credit, a receipt must include all of the following information:

- the name Girl Guides of Canada followed by your Unit, district and area name
- Girl Guide address (use the provincial office address)
- name of the activity or event within our program (e.g., annual registration, Unit camp)
- amount received, including amount eligible for CATC (which is most often the same as the amount received)
- date payment received
- full name of person who has paid
- full name of the child
- child's year of birth
- authorized signature (e.g., Responsible Guider, district commissioner, or district treasurer).

### **Often the receipt that Guiders prepare, when they accept money, does not contain the appropriate information. Is there an appropriate receipt form that can be used?**

Yes, an example receipt is shown below, and a receipt form template is available on the Girl Guides of Canada . BC Council website under Finance Forms.

### **This new credit was announced part way through the year—does that mean that annual fees will need to be pro-rated to split the year?**

No, the credit applies to the 2011 taxation year, which begins in January. The credit will be eligible on a cash basis, which means it is based on the date the payment is made and receipted. There is no need to pro-rate registration fee payments.

### **What can be done for fees that have been collected and receipted, without all the necessary information, for 2011 prior to having this information?**

All of the 2011 registrations receipted to date will likely require replacement receipts. On any replacement receipts it must be noted that this receipt replaces receipt # . One option is to re-issue one receipt that covers all previous receipts issued to date. It is imperative that all replacement receipts are handled carefully and tracked well so that parents do not have two receipts that could potentially be used.


Guiders may want to ask someone to volunteer to assist with re-issuing these receipts.

**Would it be best to continue issuing regular receipts at the time fees are collected and then issue one official receipt at the end of each calendar year?**

Guiders should be cautioned regarding the idea of receipting at the end of each year. This practice may be confusing to parents and could cause errors through duplicate claims on their tax returns. In addition, this will create duplication of work for Guiders who have to issue receipts twice.

If you would like more information about issuing receipts for this tax credit, please email [finance@bc-girlguides.org](mailto:finance@bc-girlguides.org). Further information for taxpayers regarding the Children's Art Tax Credit can be found on the Canada Revenue Agency website at <http://www.cra-arc.gc.ca/gncy/bdgt/2011/qa01-eng.html>.

Receipt example:

 <b>GIRL GUIDES OF CANADA</b> 1476 West 8 <sup>th</sup> Ave Vancouver, B.C. V6H 1E1		RECEIPT NO: <b>00415</b>		
		Received from: <i>Mrs. Mary Smith</i>		
DATE	DESCRIPTION	AMOUNT		
<i>Sept 30, 2011</i>	GIRL GUIDES OF CANADA PROGRAM REGISTRATION Title of Program Activity / Event: <i>Adventure Under Stars Overnight Camp</i>			
			Check box that applies	
	ANNUAL PROGRAM REGISTRATION FEE			
	ADDITIONAL PROGRAM ACTIVITY / EVENT FEE		<input checked="" type="checkbox"/>	
	OTHER FEE			
	CHILDREN'S ART TAX CREDIT ELIGIBLE AMOUNT		<b>25.00</b>	
	TOTAL FEE PAID		<b>25.00</b>	
	HST AMOUNT (or n/a)		<b>3.00</b>	
HST # 11893 8554 RT 0035				
TOTAL		<b>28.00</b>		
Participant: <i>Susie Smith</i>		Year of Birth:		
Authorized Signature:				