
CONTREN MANAGEMENT CONSULTANTS INC.

SUMMER 2010 NEWSLETTER

SUMMER OFFICE HOURS



As in the past, our office will be closed on Fridays for the summer, starting June 18, 2010 and ending September 3, 2010.

We will be reviewing our messages frequently whenever the office is closed.

STATUTORY (PUBLIC) HOLIDAYS

A reminder that Victoria Day, May 24, Canada Day, July 1 and Labour Day, September 6 are paid Public Holidays in Ontario. The Civic Holiday, August 2, is **not** a paid Public Holiday.

With Canada Day falling on a Thursday most employers will need to decide to close on either the Monday prior or the Friday after. Businesses that fall under the *Retail Business Holidays Act* must close on the Thursday. If the *Retail Business Holidays Act* doesn't apply to your business the employer can decide to close on an alternative day as long as the employee's agree in **writing** to the change prior to July 1. The employee's will be paid for the hours worked on July 1, at the normal rate of pay, and receive a substitute day off with their calculated public holiday pay.

SIMPLY ACCOUNTING HST

If you have not downloaded the latest Simply Accounting version then you will need to establish your own HST tax codes as well as your HST related general ledger accounts. If you have downloaded the update from Simply Accounting you still may need to create new ledger accounts.

You will need to create at least three general ledger accounts, HST Charged On Sales (sub account), HST Paid On Purchases (sub account) and HST Balance (sub account total). If you are a yearly GST filer and pay installments then you will also need to create a HST Installments (sub account).

Once the new general ledger accounts have been created and are in logical order you will need to create the HST tax codes. Go to "Setup" then "Settings". Select "Company" then "Sales Taxes". Open up "Taxes" and add HST to the tax box on a separate line. You will then select the appropriate general ledger accounts and make sure to select "Yes" for the "Report On Taxes".

After entering HST as a new tax select "Tax Codes". Enter "H" as a new tax, then double click on the H to set up the tax code information. In this box make sure you enter "13" as the rate of tax and select "Yes" for "Refundable". You can also set up another tax code, "HI", for HST included in the price. Again, double click on the HI, enter "13" as the rate of tax, select "Yes" for "Included in Price" and "Yes" for "Refundable". These codes should cover all of your ongoing HST related entries for Simply Accounting.

A reminder that Simply Accounting 2009 users will need to **manually** update the tax code for all of their customers and suppliers as of July 1, 2010. Simply Accounting 2010 users can use the HST wizard to convert the tax codes for your customers and suppliers in groups. This is an ideal time to purge your old data (inactive customers and vendors) from your data base.



Subscribers to the SimplyCare program are able to download the latest update as of June 17, 2010 from their website, www.simplyaccounting.com.

KEY HST ITEMS

- The final RST returns will be filed by July 23, 2010. A reminder to utilize, where possible, the remainder of the \$375 of compensation.
- The Quick Method rate increases to 4.4% for businesses that purchase goods for resale and increases to 8.8% for businesses who provide services. A reminder that some filers may have two different rates assigned so you will need to separate your sales into pre and post HST.
- The transitional credit for businesses is a direct cheque issued by the Provincial government, sometime in the fall, based on your companies GST returns. The credit starts at \$300 for businesses with \$15,000 sales of or less in the first quarter with the HST, 2% of sales for businesses with sales between \$15,000 and \$50,000 in the first quarter with the HST and \$1,000 for businesses with sales between \$50,000 and \$500,000 in the first quarter with the HST.
- As recently as June 16, 2010 Status Indians **would** have to pay the HST on all goods and services purchased off of a reserve unless they show proper documentation proving their status **and** the goods are delivered by the vendor or vendors' agent to their address on the reserve. Services would have to be performed on the reserve so automobile repairs, haircuts, vet treatments etc. will need to have HST added to the price. **As of June 17, 2010 the Province agreed in principle that Status Indians would be exempt from the PST portion (8%) on all purchases. At present the Province is stating that the earliest this exemption would occur is September so, in theory, you would need to charge and collect the entire HST on sales to Status Indians until you receive official notice of the exemption.**

We will assist with any software and data changes our clients require on an individual basis. Please contact the office prior to July 1 to schedule this service.