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To: NCRA Members
Re: Charging Tax on Advertising Reminder

Hello NCRA Members

The following memo is a reminder that, for best practice and financial requirements, you should be charging for (and remitting) applicable taxes when billing for advertising costs if you are a GST/HST registrant or need to be (if you are over \$50,000 in taxable income per year) to the CRA. Please note that members that have a charity status do not have to collect GST/HST on advertising services.

Specifically, a not-for profit organization that is registered for GST/HST must collect GST/HST when selling advertising services (except organizations with charity status). This varies depending on the setup of the system in your own province. However, we want to clarify that the NCRA Office in our National Advertising System **will now require you to include taxes in the calculations being made**, so you will need to remit them yourself in order to get those funds back.

Local – Always have a base amount, charge taxes on top and remit based on your provincial laws

National (Non-NCRA) – Same as Local

National (NCRA) – Usually, the NCRA will include taxes in the total amount, which means you must remit them as you do above (This is a change in the system)

Other taxable services include: Selling of t-shirts and merchandise (at profit), recording studio income (charities should verify if they are exempt), certain portion of sponsorships.

Generally Non-Taxable (each member should validate depending on its own situation)

- Membership Fees
- Sponsorships
- Donations
- Grants
- Fundraising goods sold at a cost of less than \$5
- Amount charged for an item is equal to the direct cost of the item (Like a T-shirt bought and with no profit).

Collecting and Remitting Taxes

The Government of Canada has a [handy website](#) to help you navigate the process. For more information on CRA and remitting GST/HST click [here](#).

Feel free to reach out to us with any additional questions.

Barry Rooke
NCRA ED