



Dufferin-Peel Catholic District School Board

40 Matheson Boulevard West, Mississauga, Ontario L5R 1C5 • Tel: (905) 890-1221 • Fax: (905) 890-7610

February 26, 2009

Ehretia O'Hearn
Chair
Central Committee for Catholic School Councils

Dear Ehretia:

In response to some requests by school councils regarding GST rebates, I am providing you with an update on this project.

As a result of the Audit Committee recommendation and subsequent approval by the Board, new internal control procedures were implemented September 1, 2008 for school council funds. At the October 25, 2008 Central Committee for Catholic School Councils (CCCSC) in-service, the finalized procedures were presented. During this meeting there were a number of questions raised, including the Goods and Services Tax (GST) rebates. Subsequent to the meeting, responses were provided from Finance to all school council chairs through the Chair of CCCSC. The response regarding the GST rebates for school councils indicated that, over the next year, the Financial Services Department will examine the feasibility of implementing a process to enable GST rebates for school councils. This project is now underway and is targeted for completion over the next year.

In the interim, it would be fiscally prudent for school councils to process major purchases through the board in order to obtain the GST rebate. In these instances school councils would reimburse the board for the purchase, net of the GST rebate. We will be investigating alternative means to obtain the GST rebate.

Each school board must comply with the GST rules and regulations outlined by the Canada Revenue Agency (CRA) and all school boards are eligible for GST rebates. Differences exist among school boards in the way the rebates are processed through each board's specific financial systems. The responsibilities for managing GST rebates for school councils can only be achieved by having all school councils on one financial system of the board. In this regard, it is only recently with the implementation of the new procedures for school councils that all school councils are on one financial system. As a result, we are now examining various options in processing GST rebates for school councils. As part of our review, we will also be looking at GST on sales that school councils may be required to collect, report and pay to CRA. If applicable, this will reduce the amount of the GST rebate school councils receive. This element will need to be considered during our review of the processes to ensure the board and school councils comply with GST legislation.

GST Rebates for School Councils

It's important to note that school councils will see an increase in their administrative duties once GST rebates are implemented. In addition, Dufferin-Peel CDSB staff will also see an increase in duties to coordinate and manage this process. Hence, we will be carefully looking at the various options to ensure we implement efficient processes.

Retroactive adjustments for the GST rebate will not be available as it would involve a great deal of work for school councils and Dufferin-Peel CDSB staff to isolate the GST paid on prior years' purchases and the GST payable on sales. However, I would encourage school councils to process major purchases through the Board so GST rebates can be obtained as outlined earlier.

We understand the importance of making the GST rebates available to school councils, but careful consideration of the processes and implications is imperative to make this a successful implementation. If you require further information, please let me know.

Regards,



G.P. Robinson, Superintendent
Financial Services and Treasurer

GPR/cj