



BRENDAN MOORE
Enterprise Sales Tax Solutions

HST HAS ARRIVED - ARE YOU READY?

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Major issues for HST start-up?

- Impact on sales/pricing/invoicing?
- Impact on purchasing/costing?
- Place of supply rules/transitional rules
- Systems/procedures/reporting requirements, e.g., large business ITC recapture
- Employee expense reimbursements/allowances
- Communication and training
- CASH FLOW



Discussion points: HST and Outputs

- Revenue streams
- Transitional and place of supply rules
- General Ledger GST/HST payable account structure
 - Single or multiple accounts
 - Sources
- Order handling and invoicing systems
- Multiple GST/HST rates (BC, ON, NB, NS, NL), PST rates (SK, MN, PE) and QST rate
- Sales contracts



Discussion points: HST and Inputs

- Types of purchases
- Transitional and place of supply rules
- General Ledger GST/HST receivable account structure
 - Single or multiple accounts
 - Sources



Discussion points: HST and Inputs

- Accounts payable processing
- Recapture of the provincial component of the ON and BC HST on certain specified expenses and tracking to GST/HST return
- Employee expense reimbursements and allowances
- Purchase contracts



Discussion points: Software Modifications

- Additional tax rates/codes/tables
 - New rates plus old rates
 - POS rebates
 - Supplier & customer profiles
 - What triggers sales tax rate?
 - Item code or customer code
 - Order entry date
 - “Ship to” address versus customer’s address



Discussion points: Software Modifications

- Automated/recurring entries
 - Inter-company transactions
 - Rent
 - Lease payments
- Tracking RITC expenses
- Self-assessment
- National contracts with Ontario and BC component



Discussion points: Software Modifications

- Employee expense reports
 - New factors will be/have been announced
 - Template modifications required
 - Tracking expenses by province
 - Tracking RITC expenses
 - Transitional rules for expense reports that straddle implementation date



Discussion points: CASH FLOW

- Consider:
 - Delaying purchases of significant taxable items
 - Accelerating purchases of significant exempt items
 - Purchase vs lease decision
 - Timing of supplier payment vs claiming of ITCs
 - Revisiting all your related company elections



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Thank You
And
Good Luck