

UBC OKANAGAN

TAX SELF-ASSESSMENT POLICY

PURPOSE

The purpose of this policy is to ensure all tax requirements are met when paying University related invoices.

POLICY

All purchases made by UBC will adhere to the tax requirements of the BC Social Services Tax Act and the Federal Excise Tax Act.

APPLICABILITY

Applies to all faculties, departments and ancillary operations.

EXCEPTIONS

There are no exceptions to the policy.

PROCEDURES

PST Self-assessment

Blanket Orders

1. Review out of province blanket invoices without PST to determine if PST should be self-assessed. Refer to sections 69 to 79 of the Social Services Tax Act for exemptions. (www.qp.gov.bc.ca/statreg/stat/S/96431_01.htm#part3)

Regular Purchase Orders

1. PST charged on invoices as per the Purchase Order will be deemed to be correct and paid accordingly.
2. Review out of province regular purchase order invoices without PST charged to determine if PST should be self-assessed. Refer to sections 69 to 79 of the Social Services Tax Act for exemptions.

Requisition Processing

1. Review out-of-province requisitions for invoices to determine if PST should be self-assessed.
2. Review requisition to determine if PST should be self-assessed. Refer to sections 69 to 79 of the Social Services Tax Act for exemptions.

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3. If PST is self-assessed record by using the USE TAX function in PeopleSoft 8 that calculates and records the PST automatically.

GST Self-assessment

1. Shipments under \$1,600 will be self-assessed GST as it passes through UBC Custom Services in Supply Management. Most imported goods over \$1,600 will have the GST paid by the UBC broker as they cross the border.
2. **Imported services** will not be captured at the border and the University is required to self-assess and effectively pay the GST on such supplies and separately claim back a rebate.
3. Imported services relating to a **commercial** transaction do not need to be self-assessed as the University is eligible for the 100% input tax credit recovery on these transactions. The Business Firm Retainer form should be used to clarify the tax status of the supplier.
4. Review all non-Canadian non-tangible invoices to determine if there should be a GST self-assessment. GST applies to most purchases of the University.
5. If GST is self-assessed enter the GST directly on the **voucher** by adding 4 lines and using the zero-dollar line method. Enter BOTH the total amount of the GST self-assessment and the GST recoverable amount.

Debit	Department PG expense
Credit	GSTPAY (<i>speedchart</i>) 219100 G0000 932200
Debit	GST Recoverable 135300 G0000 932200
Credit	Department PG expense

Withholding Tax Self-assessment

1. Review all non-Canadian invoices to determine if there should be a withholding tax self-assessment.

Non-resident individuals and non-resident companies charging **consulting fees** for **work done in Canada** require a 15% tax to be withheld.

- Forward the invoice to Revenue Accounting for approval. Revenue Accounting will reduce the invoice for the 15% withholding tax and issue a T4ANR - Tax Form for Non Residents
- The invoice is returned from Revenue Accounting and input in FMS for payment.
- Waivers from Revenue Canada granted to the payee must be attached to the requisition and forwarded to Revenue Accounting to issue a T4ANR.

For further information regarding any tax issues please contact Manley Mah at 604-822-9355 or mamah@finance.ubc.ca.