

REGULATION #4900.2

DISTRICT REVENUES COLLECTED AT SITES: GOODS & SERVICES TAX CONSIDERATIONS

1. PURPOSE OF REGULATION

- 1.1. Sites collect funds on behalf of the School District No. 36 (Surrey) (through “district activities such as cafeterias) and, in so doing, need to ensure appropriate amounts of Goods & Services Tax (GST) are charged. The purpose of this regulation is to define the responsibilities of site management officers related to charging and remitting GST on school district revenues collected at sites and to provide information with respect to transactions where GST is eligible.
- 1.2. GST aspects of site local funds are addressed in [Regulation #4900.3 – Site Local Funds: Goods & Services Tax Considerations](#).

2. ROLES AND RESPONSIBILITIES

- 2.1. Site management officers are responsible to charge GST where it is applicable; remit total district funds collected at the end of each month and to identify the GST component of remittances made to the Fiscal Management Services Department.
- 2.2. Fiscal Management Services Department files the GST return which Canada Revenue Agency defines as the “head office” return and provides information to and consults with site administrative staff on technical aspects of GST.

3. GST IN RELATION TO SCHOOL CAFETERIA SALES

- 3.1. School cafeteria operations from which revenues are remitted to the district are required to charge GST on:
 - a) Sales made through vending machines.
 - b) Sales of catering to private events.
 - c) Sales in school cafeterias of “taxable prescribed food and beverages”.

REGULATION #4900.2 DISTRICT REVENUES COLLECTED AT SITES: GOODS & SERVICES TAX CONSIDERATIONS

- 3.2. Appendix A provides excerpts of the GST Regulations which defines “taxable prescribed food and beverages” within the context of school cafeterias. Generally, school cafeteria sales are GST exempt as long as the sales are primarily to students with the exceptions that all carbonated beverages, candies, potato chips, snack foods, catering to private events and sales through vending machines.
 - 3.3. Cash registers in school cafeterias should be programmed to record GST charged by transaction and the summarized totals from cash registers should reconcile with funds remitted and GST reported to the Fiscal Management Services Department.
 - 3.4. Revenues from school cafeterias are transferred each month to the district’s general bank account, either electronically or by cheque forwarded to the Fiscal Management Services Department. In order to facilitate remittance to Canada Revenue Agency of GST collected on taxable sales, schools are to notify the Fiscal Management Services Department of the GST component of monthly cafeteria revenue transferred by completing and forwarding to the Fiscal Management Services Department a Cafeteria Monthly Revenue Report. Supporting documentation for the notification to Fiscal Management Services is to be retained for current plus six years by the school for examination in any audit by Canada Revenue Agency.
- 4. OTHER GST TAXABLE SALES OF THE DISTRICT OCCURRING AT SITES**
- 4.1. GST must be charged on sales which recover more than direct costs incurred, unless specifically exempted by the Excise Tax Act. ([Regulation #4900.3, 5.4 – Site Local Funds: Goods & Services Tax Considerations](#)).
 - 4.2. GST is to be charged on general interest (non-academic) continuing education courses except where the Act contains specific exemptions.
 - 4.3. GST is to be charged on fees for transcripts.
 - 4.4. Sales of district produced publications; tapes and services which have a profit element are subject to GST.

REGULATION #4900.2
DISTRICT REVENUES COLLECTED AT SITES:
GOODS & SERVICES TAX CONSIDERATIONS

4.5. Remittances of district revenues to the Fiscal Management Services Department should identify the GST component thereof.

5. DISTRICT REVENUES COLLECTED AT SITES WHERE NO GST APPLIES

5.1. There are revenues collected at sites which are remitted to the Fiscal Management Services Department for credit to district budget accounts on which it is not necessary to charge GST. Examples are:

- a) Contributions to lunch programs, as they are voluntary.
- b) Correspondence course fees, as they are for academic programs.
- c) Bus passes for transport to and from school.
- d) Recoveries of direct costs incurred such as:
 - Textbook loss charges ([Regulation #9802.1 - School Fees](#)).
 - Photocopiers charges.
 - Vandalism recoveries.
 - Personal long distance telephone recoveries.

5.2. When recovering costs, site personnel should ensure that, where applicable, GST and Provincial sales tax are considered when computing the amount to be recovered.

6. GST TECHNICAL SUPPORT SERVICES

GST technical support assistance is available from Fiscal Management Services Department in order to:

- a) Satisfy legal obligations to collect and remit GST.
- b) Maximize GST rebates and input tax credits realized.
- c) Ensure consistent methods are utilized district wide.

Appendix A – Definition of Taxable Prescribed Food and Beverages For Goods & Services Tax Purposes.

REGULATION #4900.2
DISTRICT REVENUES COLLECTED AT SITES:
GOODS & SERVICES TAX CONSIDERATIONS

Revised: 2013-03-31

Revised: 2010-06-24

Revised: 1999-04-13

Revised: 1995-03-07

Approved: 1994-04-26

X-Ref: Reg. [#4900.3](#)

Reg. [#4910.1](#)

**REGULATION #4900.2
DISTRICT REVENUES COLLECTED AT SITES:
GOODS & SERVICES TAX CONSIDERATIONS**

REGULATION 4900.2

APPENDIX A

DEFINITION OF TAXABLE PRESCRIBED FOOD AND BEVERAGES FOR GOODS & SERVICES TAX PURPOSES

Pursuant to the School Cafeteria Food and Beverages (GST) Regulations, the following prescribed food and beverages will be **taxable** when sold in school cafeterias.

- a) Carbonated beverages.
- b) The following, when sold in cans, cartons or bottles:
Non-carbonated fruit juice beverages or fruit flavored beverages, other than milk-based beverages, that contain less than 25% by volume of:
 - A natural fruit juice or combination of natural fruit juices.
 - A natural fruit juice or combination of natural fruit juices that have been reconstituted into the original state; or goods that, when added to water, produce a beverage included in this paragraph.
- c) Any of the following foods when packaged for sale to consumers:
 - Candies, confectionery that may be classed as candy, or any goods sold as candies, such as candy floss, chewing gum and chocolate, whether naturally or artificially sweetened, and including fruits, seeds, nuts and popcorn when they are coated or treated with candy, chocolate, honey, molasses, sugar, syrup, or artificial sweeteners.
 - Chips, crisps, puffs, curls or sticks (such as potato chips, corn chips, cheese puffs, potato sticks, bacon crisps and cheese curls), other similar snack foods or popcorn, brittle and pretzels, but not including any product that is sold primarily as a breakfast cereal.
 - Salted nuts or salted seeds.
 - Granola products, but not including any product that is sold primarily as a breakfast cereal.

REGULATION #4900.2
DISTRICT REVENUES COLLECTED AT SITES:
GOODS & SERVICES TAX CONSIDERATIONS

- Snack mixtures that contain cereals, nuts, seeds, dried fruit or any other edible product, but not including any mixture that is sold primarily as a breakfast cereal.
- Ice lollies, juice bars or flavoured, coloured or sweetened ice water, whether frozen or not.
- Ice cream, ice milk, sherbert, frozen yogurt or frozen pudding, non-dairy substitutes for any of the foregoing, or any product that contains any of these products, when packaged in single servings.
- Fruit bars, rolls or drops or similar fruit-based snack food