SIMON PHOENIX GROUP

ACSI Ontario Board/Administrators' Conference
February 5th, 2011

CRA Tuition Donation Tax Calculation

Start Time:	**10:05 am ET**
Duration:	**60 minutes**
Presentation:	**45 minutes**
Q&A:	**15 minutes**

PRESENTED BY:

FRANKLIN SMITH MBA, CMC
PARTNER

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IC 75-23

IS….

- Basis for the tuition donation calculation
- Over 35 years old
- Relied upon by CRA to conduct audits of issued tuition receipts
- Open to interpretation
- The means by which the federal government funds private religious education

IS NOT….

- Legislation
- Unambiguous
- Understood very well by CRA (in many cases)

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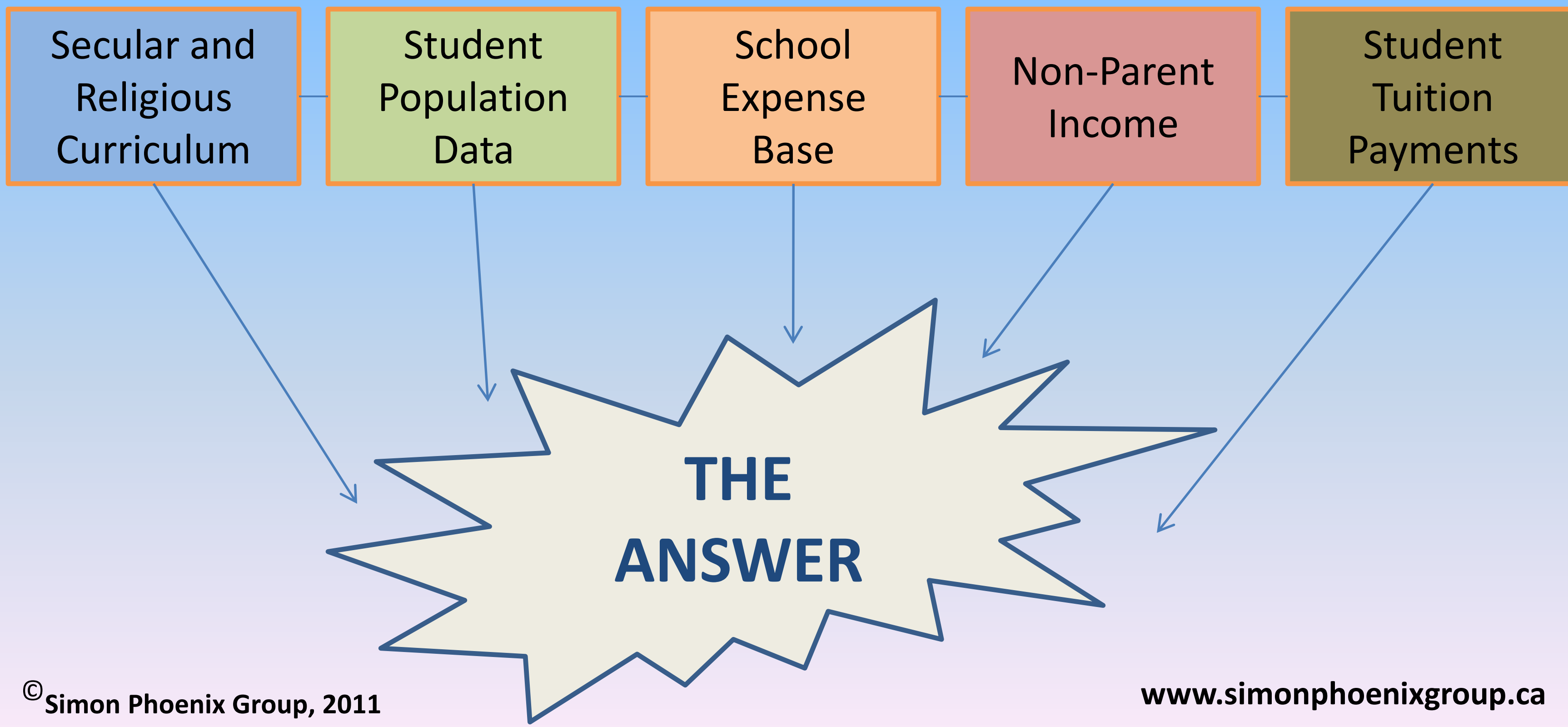
CALCULATION COMPONENTS



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CALCULATION COMPONENTS

Secular and Religious Curriculum

- Determination of percentage split
- Based on what (conjecture, curriculum, schedule)?
- Whole school or grade specific?
- How to deal with two separate academic years?
- Is it reasonable?
- Is it defendable?

Spreadsheet Calculations

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CALCULATION COMPONENTS

Student Population Data

- Grade specific splits
- How to deal with late admissions and early departures?
- Track data by year
- Actual student count versus FTE (full time equivalent) students?
- Is it reasonable?
- Is it defendable?

Spreadsheet Calculations

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CALCULATION COMPONENTS

School Expense Base

- How to deal with two separate "school" years?
- Segregate religious versus secular costs of education?
- How to segregate costs?
- What expenditures are not to be included?
- Is it reasonable?
- Is it defendable?

Spreadsheet Calculations

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CALCULATION COMPONENTS

Non-Parent Income

- Where does the data come from?
- How to deal with companies owned by parents?
- Distinguishing between grants, miscellaneous income, and non-parent donation income?
- Are any non-parent donation amounts not eligible for inclusion?
- Is it reasonable?
- Is it defendable?

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CALCULATION COMPONENTS

Student Tuition Payments

- Where does the data come from?
- What about tuition payments by extended family?
- What about tuition payments by parent owned companies?
- What about tuition payments made by securities transfer?
- Is it reasonable?
- Is it defendable?

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PERFORMING THE CALCULATION

How Many Students?

How Many Tuition Payors?

How Much Time?

Calculation Method

1. Paper, Pencil, and Calculator
2. Spreadsheet
3. Computer Application

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METHODS OF CALCULATION

Paper, Pencil, and Calculator

Pros	***Cons***
• Readily available tools	• Exceedingly time consuming
• Calculations can be easily sub-divided for manipulation by different people	• Ineffective and inefficient use of time
• Requires no computer knowledge	• Prone to mathematical error

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METHODS OF CALCULATION
Spreadsheet

Pros	***Cons***
• Readily available tools	• Requires spreadsheet programming knowledge
• Calculations can be easily sub-divided for manipulation by different people	• Time required to develop and maintain spreadsheet model
• Faster processing time from start to finish	• Significant manual data manipulations still required
• Programmed calculations completed without mathematical error	

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METHODS OF CALCULATION

Computer Application

Pros	***Cons***
• Simple numerical inputs	• Cost of purchase and maintenance could be a factor
• No knowledge of computer or spreadsheet programming required	
• Allows for data checks and rapid calculations	
• Programmed calculations completed without mathematical error	

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How Many Computer Applications Perform the CRA Faith-Based Tax Calculation?

ONLY ONE.....

PHOENIX NP COMPLETE©

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QUESTIONS?

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