

ISSUE 95

JUNE 2016



GFOABC
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DOLLARS *AND* \$ENSE **PERSPECTIVE**

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MEMBER NEWS

& UPDATES

GFOABC welcomed **PAUL MACKLEM** as Executive Director April 1st.

GFOABC welcomed **ERICA CHRISTIE** as Manager Operations and Member Services on May 5th.

GFOABC is excited to introduce **Julia Mobbs** as our new Program Manager.

Julia will join us on July 18th.

GFOABC wishes **JANICE AVER** all the best in her retirement as she steps back from her role as Program Manager next month. You'll be missed Janice!

TANYA GAROST joined the District of Lake Country on June 20th as Chief Financial Officer.

TO INCLUDE YOUR MEMBER UPDATES IN THE NEWSLETTER PLEASE SEND THEM TO OFFICE@GFOABC.CA

Conference Highlights

WHISTLER 2016



This year's Annual Conference was held in beautiful Whistler from June 1-3. It was wonderful to have a chance to catch up with our colleagues from all over British Columbia as well as visitors from Ontario and Nunavut. Delegates took the opportunity to learn at a variety of professional development sessions and enjoyed some great networking events in the evenings. We have uploaded the presentations to this [link](#).

We had five pre-conference sessions this year, which were all well received. Partnered with LGMA we launched our pilot program titled 'Project Procurement Toolkit' led by Cris Munro of CM2 Ventures. After the pre-conference courses, we hosted a Welcome Reception jointly with the MFA of BC. Delegates enjoyed catching up with their colleagues and sampling the local refreshments.



The Conference itself opened on Wednesday with our keynote speaker—Dr. JP Pawliw-Fry . The delegates were motivated by JP's advice on how to handle pressure. He entertained the audience with videos of Shark Tank and stories from his own personal experi-

ences working with professional athletes. JP emailed us after to say that he would be making a donation on our behalf to **Pathways to Education**, a charitable organization created to reduce poverty and its effects by lowering the high school dropout rate and increasing access to post-secondary education among disadvantaged youth in Canada.

Later that morning at the AGM, the membership elected a new Board of Directors. The biographies and contact information for each of the directors will be available on our new website.

We had an excellent Trade Show at the our Whistler Conference—thanks to the work of our exhibitors. We thank them for continuing to support our association. Our passport program was popular again, and raised over \$700 which was split between Red Cross relief for Fort McMurray and the Howe Sound Woman's Centre.

Thank you to our sponsors for their on going support. Without them the conference and our year round programing would not be possible. There were several sponsor receptions on Wednesday evening, evidence of the fun had by all can be seen by the photos on our [Facebook Page](#).

PRESIDENT'S REPORT



As I sit here in my new office in the District of Lake Country, I cannot help but reflect on the difficulty finance professionals that are brand new to local governments face. I feel fortunate starting this position, sitting in meetings, talking to staff and although I'm not familiar with the history, the terms and processes are familiar to me. I

have a deeper appreciation for the role that GFOABC plays in providing training to its members to bridge that knowledge gap.

One of the cornerstones of the GFOABC educational program is the Boot Camp program, held annually in August. This program is geared specifically towards those individuals that are brand new to their positions or to local government in general. There is work in progress, as I write this article, to update the material in that program and ensure we are delivering high quality, current material to our members. The program is full for this year but we are accepting names for a waitlist, so if you would like to attend, let us know!

New to the GFOABC educational program in 2015 was the Advanced Financial Leadership Academy. This program was piloted to a small group last year with incredible success. This program is at the other end of the career compared to Boot Camp program and is targeted at finance professionals that have been in their job for a while and are looking to strength-

en their leadership skills. We also offer many standalone courses in different parts of the province. We encourage everyone to contact the GFOA office if you have ideas for courses. We also welcome suggestions on course locations, if we can get enough interest, we will bring courses to you!

I want to thank Linda Tynan for all her hard work as President last year. It was a year filled with change and Linda provided the back bone that carried our organization through. I am truly thankful for the opportunity to be your President for 2016/17 and excited about the year ahead. We have some new member volunteers sitting on our various committees, we will have a full staff complement and an incredible, dedicated Board. Together, I believe we can achieve the vision of the GFOABC to be the leading association for local government financial management in Canada.

Even though I am still new to Lake Country, Mayor and Council, the CAO as well as the organization as a whole is very supportive of my role with GFOABC so please do not hesitate to contact me! I would love to hear from you on your ideas, thoughts, struggles or concerns related to your communities and positions or how the GFOABC can live up to our new tagline "better together" in assisting you.

Tanya Garost, CPA, CA
Chief Financial Officer
District of Lake Country

EXECUTIVE DIRECTOR'S REPORT

WHISTLER CONFERENCE

The 2016 GFOABC conference in Whistler, themed 'Partners in Leadership' was both well attended, and from conversations we had with delegates, enjoyed for the educational content as well as beautiful surroundings. Special thanks go out to the local conference committee, our sponsors and exhibitors, the GFOABC Board and to our staff team of Janice and Erica. We are really looking forward to next year's conference in Victoria!

WHAT'S NEW?

Lots! From Executive Director, to Manager of Operations and Member Services, to an upcoming change in direction regarding programming, we are undergoing a wholesale change at the GFOABC office with one important goal in mind – to provide our members with training and professional development opportunities that will see you flourish as local government finance practitioners.

The GFOABC has a primary focus on education. With this priority in mind, your Board recently determined that the excellent work provided to the association over the last 4 years by a retiring Janice Aver, Program Director, on a part-time basis, needed to move to a full time position in order to achieve the highest standard of training possible. We have been in the recruitment

process and Julia Mobbs will be joining us in the Victoria office next month.

CARRYING ON A TRADITION

From the perspective of a new Executive Director, there has been a tremendous amount of excellent work done for the membership of the GFOABC by past Boards and Staff. This has positioned the association to adapt to an ever changing environment where communication and the use of technology are key elements in the life of a local government finance professional and must be considered in all programs and training. Erica Christie and I are excited at the prospect of carrying on a strong tradition and adding new traditions that will ensure we are conversant with your needs as legislation, best practices, citizen and politician expectations and other changes emerge over time.

While we are here to serve you, we depend on your good ideas to help us provide the services you need and believe are important in your job. With the launch of our new website, we will be able to engage more readily with our members and you can look forward to being asked for your input and opinion periodically to help us improve.

UPCOMING TRAINING OPPORTUNITIES

The annual 'Boot Camp' offering for those new to local government finance is already

at capacity for 2016. This intense 5-day program is fully subscribed annually and we are thinking about the 'what's next?' question. Perhaps an 'Officers Academy' for intermediate level finance staff who are preparing for positions of leadership and/or management. We'd love to hear from you on the potential for a concept like this and the areas we would cover.

Advanced Financial Leadership Academy (AFLA)

Victoria, September 20 – 23

Leaders with responsibility the financial health of their organization can no longer simply rely on their knowledge of local government finance operations, legislation and best practices. There are many soft skills that successful leaders must have to inspire their organizations and staff in serving their elected officials and citizens. Once acquired, they need to be retooled to keep you fresh and engaged in current leadership trends. Last year's inaugural participants found this to be a valuable program.

Fall Professional Development Program

We are currently working on the fall offering with dates and locations to be released over the summer. Stay tuned!

PAUL MACKLEM

EXECUTIVE DIRECTOR - GFOABC

SALES TAX ISSUES FOR LOCAL GOVERNMENT

ABOUT THE AUTHOR: Mark Worrall is a partner at KPMG and leads the Indirect Tax practice in British Columbia. He has been specializing in all forms of indirect tax, in particular GST and PST, for over 25 years.

The re-implementation of the Provincial Sales Tax (PST) in BC on April 1, 2013 increased the extent to which municipalities may be required to “self-assess” sales tax. This article outlines the most common areas where PST and/or Goods and Services Tax (GST) self-assessment may be required.

PST Self-Assessment

There are two principal types of expenditures where municipalities may be required to self-assess and remit PST. The first is purchases of goods subject to PST that are delivered from outside BC where the vendor does not charge PST. In that instance the municipality must self-assess PST on the landed cost of the goods. Generally the landed cost of the goods will include the cost of transporting the goods to BC and, if the goods are imported into Canada, any duty and brokerage charges applicable to the importation of those goods.

The other type of expenditure giving rise to a PST self-assessment requirement is software that is acquired from a vendor that does not charge PST. Unless the software at

issue qualifies as “custom” or “customized” software the municipality is required to self-assess PST on any fees payable to acquire the software. PST will also generally apply to software maintenance fees. It should be noted that it is not necessary that the software at issue reside on hardware located in BC as the PST will also apply to software that resides on hardware outside BC and is accessed for use in BC, including cloud based software.

GST Self-Assessment

Municipalities are also liable to self-assess GST in certain circumstances, in particular taxable purchases of real property and “imported taxable supplies”. Since municipalities are generally entitled to recover all of the GST they incur, either as a municipal rebate or as an input tax credit (ITC), subject to a few limited exceptions, such self-assessment is largely a matter of compliance and does not result in an actual cost to the municipality.

Where a municipality purchases real property and the municipality is registered for GST then the municipality must self-assess the GST

payable and claim either an ITC or a rebate unless precluded from doing so. The GST must be accounted for on the total consideration payable for the property, including non-cash consideration (e.g., property exchanges).

Imported taxable supplies generally refer to supplies of either services (e.g., consulting services) or intangible personal property (e.g., software) that are acquired from a non-resident person who is not registered for GST. In that instance a municipality must self-assess GST on the consideration payable for that supply unless the supply is acquired exclusively (90% or more) for use in taxable activities (a relatively rare circumstance for most municipalities).



¹Custom software refers to software that was solely developed for a particular customer. Custom software generally refers to software that was originally developed for multiple users but has been modified for a particular customer to the extent that the price of the customized version is more than double the price of the original version.

COLLECTORS' CORNER

BE FAIR – BE CONSISTENT

ABOUT THE AUTHOR:
Doug Stein has worked in municipal finance for over 30 years. In 2011 he retired from his position as Manager of Revenue Services for the District of Saanich. Doug has been very involved with the Collectors' Forum, is a GFOABC Life Member and a CPA, CMA.



There are five basic principles of a tax system: easy to administer, accountable, understandable, equitable and predictable. Our property tax system lends itself well to these principles and is governed by legislation which provides the rules that we, as collectors, have a responsibility to enforce.

One would think our job as collectors would be quite straight forward – administer the tax system and enforce the rules. However, in my experience, it's not always that simple. For example, the Community Charter is clear about the penalty. Section 234 states that the collector must add a penalty to unpaid current year taxes after the due date. In line with the legislation and above principles, I developed 3 "rules" as to how to apply the penalty provision. Rule #1 – a duly imposed penalty cannot be waived. There is no provision in the Charter to reverse a penalty. Rule #2 – people make mistakes and if I (or staff or the computer) made a mistake, I will apologize and correct the mistake. A penalty that has been applied in error should not have been applied in the first place. Rule #3 – if in doubt, "tie goes to the runner", that is, the decision should be in favor of the taxpayer.

Rule #1 and #2 are rather straight forward. But what about Rule #3 – the 'grey area'? For example, a taxpayer attends the municipal hall prior to the due date and pays his taxes by cheque to the cashier. After the due date, the cheque is returned from the bank with the explanation "body and figures differ". Does the penalty apply or not? I don't think ad hoc decision making is the best method. That is why policies are good because then you can apply the same decision to similar circumstances consistently. We can expect more of these 'grey areas' as the banks continue to go "paperless".

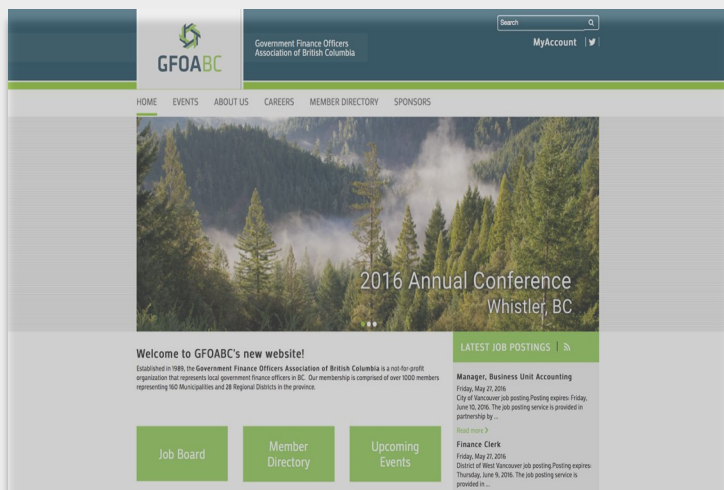
So then, whatever your decision would be – be fair, be consistent. I would extend this further. For example - should the way we treat an electronic payment be different than any other type of payment? Or wouldn't it be nice if a taxpayer who owned property in three different municipalities could expect consistent application of the rules among all three? And what about municipalities, BC Assessment, the Province (real property taxation, HOG, Deferment) and Land Titles – consistency would be the ideal (eg FOIPOP). To be sure, you and your staff are to be highly commended for doing a great job in administering the property tax system. And as you enforce the rules - be fair, be consistent.

COMING SOON

FROM GFOABC

NEW WEBSITE

GFOABC is excited about the release of our long awaited website. As can be with technology, we have had a few setbacks with the launch, however we expect the website to be up within the week.



WHAT TO EXPECT

- All members will receive an email within 24 hours of the website going live. We ask that you click the link and complete any remaining registration requirements.
- The Forum will be relocating so during this time there may be a minor disruption to your access. We have decided to take the forum to a closed space to ensure that all discussions remain within the member base.
- Please take the time to explore the website and provide us with feedback.

UPCOMING PROGRAMS

BOOT CAMP #10 AUGUST 21-25 2016

VICTORIA BC, Held at the University of Victoria

Currently accepting applicants for the [WAITLIST](#)

This five-day residential program will provide participants with a comprehensive overview of municipal finance issues with a focus on providing “real-life”, practical information that can immediately be applied in a municipal setting.

ADVANCED FINANCIAL LEADERSHIP ACADEMY (AFLA)

SEPTEMBER 20-23 2016 VICTORIA BC.

Registration will be on the new website

This leadership academy will introduce participants to a set of comprehensive leadership competencies needed to navigate the changing role of local government finance leaders, while addressing the current issues facing local government in BC today.

NEXT COLLECTOR'S FORUM— JULY 27 [REGISTER HERE](#)

AGENDA

1. “What You Need to Know About PTT” – Leslie Guthrie
2. BC Assessment – Update on Data Advice, Cell Tower Project
3. Joint Provincial/Municipal Forum – Update on 2017 HOG changes and eDeferment (automatic renewals)
4. Round Table

NEXT TAX WEBINAR— JULY 20th [REGISTER HERE](#)

FALL PD INFORMATION WILL BE AVAILABLE ON THE NEW WEBSITE IN THE NEAR FUTURE

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