



FEBRUARY 2017

Documentation for Medical Travel

We encourage you to be proactive in obtaining documentation to support your claim for medical travel when the need arises rather than having to track it down later on. Many claims for medical travel are being disallowed upon review by Canada Revenue Agency because they are not supported by a letter from your local family doctor to indicate that the equivalent service is not



Sale of Your Principal Residence

Did you sell your home this year? How about a cabin at the lake or a similar vacation property? You are required to report a gain on the sale of your home on your tax return even if there will be no tax owing as a result of the principal residence designation. A principal residence is one that you own during the year and is ordinarily inhabited by you, your spouse or your child. If you own more than one property that meets this definition and have sold one of them during the year, please see us regarding which property to designate as your principal residence.

To report the sale of your home on your tax return we need to know the year of acquisition, the address of the property sold and your proceeds of disposition. If you own more than one home that can be designated as your principal residence there will be additional information required and will depend on how long you have owned the properties so please make an appointment to see us.



Announcements

Mary Roy retired this year from the Custom Data Centre, and Dave Bromley will be retiring in July. We wish them good luck in their future endeavors.

Mark Fox and Jason McChesney have joined the staff at the Custom Data Centre, feel free to give them a call at 403 742 2144 with any of your computer and software related questions.

Stay Up to Date

We encourage everyone to keep their computer systems and software up to date. It's not necessary to purchase the newest models of equipment and versions of software as soon as they are released but you don't want to allow yourself to fall too far behind. Not only do you miss out on security and functional improvements that have been made to the programs and equipment, falling too far behind also makes it more difficult to upgrade at a later date.

Back Up! Back Up! Back Up!

It is important to back up your accounting records on a regular basis during the year and find a safe, offsite storage location for these backups to be stored in case of a fire, flood, or other disaster in your home or office. You should also print your general ledger for the year as a PDF document and store it offsite with your backups.



6 tips to help your business' books run more efficiently!

Keep one bank account.

Savings accounts create extra work to record entries and transfers between accounts that generally do not accumulate enough interest to make them worthwhile for the business.

Don't pay for personal expenses with the company funds.

Withdraw funds as dividends or pay yourself a monthly wage to cover your personal expenses. It saves posting all of those transactions through the shareholder loan.

Keep it business.

Loans to family members are generally not business transactions and should be made personally.

Make tax instalments easier.

Consider setting up auto payments to pay corporate tax installments or send post dated cheques to the Canada Revenue Agency.

Use a "Loan Binder".

Setup a binder to hold your loan statements, original documents and loan schedules given to you by your lender or accountant. Use tabs in your binder to separate each loan. Don't empty the binder each year. Leave all loan documents in your loan binder until the loan is paid and provide the binder to your accountant with your year end records.

Bills of sale files.

Keep an "assets purchased" file folder and a "sale of assets" file folder for all bills of sale of land, equipment, automotive, etc.

Organizing in advance saves time in the later!

Do You Hold Shares in Multiple Private Corporations?

Each privately held corporation is allocated a \$500,000 small business limit which allows it a reduced tax rate on the first \$500,000 of net income earned in a year. Recent changes to the Income Tax Act have created rules whereby corporations with common shareholders or related shareholders may now have their \$500,000 limit reduced which will increase the amount of tax owing at the end of the year. In order to correctly implement these changes, we need to know all of the private companies that any member of your family holds shares in along with any transactions that have occurred between these companies.



Dracula didn't have many friends because he was a real pain in the neck.



Eligible Educator School Supply Tax Credit

Budget 2016 introduced a refundable tax credit to provide recognition for costs incurred by teachers and early childhood educators for supplies used in the classroom or learning environment. The credit is based on 15% of up to \$1,000 in expenditures. To qualify for the credit:

- Individuals must hold a valid teachers certificate for the province in which they are employed, early childhood educators qualify if they hold a certificate or diploma in early childhood education
- Supplies purchased for use in a school or regulated child care facility for the purpose of teaching or enhancing students' learning qualify, up to \$1,000
 - Supplies include durable goods such as games and puzzles, supplementary books, educational support software, containers for themes or kits, and consumable goods (construction paper, items for science experiments, art supplies, stationery, etc.

Individuals cannot claim supplies for which they have been reimbursed or provided an allowance unless these amounts are also included in income. Your employer is required to provide a certification attesting to the eligible supplies expense.