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CONTEMPORARY IDEAS FOR BUSINESS MANAGEMENT

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Why Hiring a Third-party Certified Human Resources Investigator is More Important Now than Ever



Ontario's Workplace Violence and Harassment legislation was amended in 2016 to include sexual harassment and sexual violence. Since then, over 3500 employers have been cited for violations of this legislation. Under this same legislation, employers must investigate all harassment complaints from employees. These investigations should ideally be completed by a third-party Certified Investigator.

Did you know that all workplaces must have a policy on workplace violence and harassment, and that this policy must be reviewed annually? New data shows that of the total violations issued between September 2016 and January 2018, 16% were for failing to

have a written workplace violence and harassment policy, and 22% were for failing to have a written harassment complaint procedure. Employees must also be provided with training that outlines the responsibilities and complaint procedure.

Upon analysis of these violations, the industry with the highest occurrence of Ministry of Labour orders was "food services and drinking places". It is a common misconception that food services or restaurant franchises have

protection through their parent company corporate policies. In fact, franchises must establish and enforce their own Workplace Violence and Harassment policies and procedures.

Our team of HR Professionals and Certified Investigators can ensure that you are compliant with all Workplace Violence and Harassment Legislation. DJB HR Advisory Services offers full-cycle investigations, Workplace Violence and Harassment training, and policy development and review.

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Sailing into Your Future with a Financial Plan



I often explain financial planning as being similar to that of planning a yacht journey. Whether you are planning a sailboat trip to your favourite island or your financial future, the planning process is alike. With financial planning, similar to yachting, if you don't have the necessary experience, you will need to hire a professional that you trust, have confidence in, and believe in their ability to help you accomplish your goals. Once you've hired your Financial Planner, ie. Navigator, it's time to hire a competent, experienced, trusted crew. A financial planning crew may include an Accountant, Lawyer, Banker, Portfolio Manager, Insurance Specialist, Trust Officer... and depending on your circumstances, you may need to bring on other crew members in the future.

Now that we have our crew assembled, it's time to take stock of what we have on board for the journey. On a boat, this is referred to as the ship's stores. In the financial planning world, it's known as your Net Worth. Taking stock is important so we know what we are starting with and so we can determine what will need to be added to complete the journey ahead. In your financial plan, this might

include various savings plans such as a Registered Retirement Savings Plans, Tax-Free Savings Accounts, Registered Education Savings Plans or Registered Disability Savings Plans. It might also include certain documents like Wills, Powers of Attorney, Shareholder Agreements, and others. We need to project how far into the future our ship's stores will last and if it's enough to get us to our final destination or whether we will have to continue to add to our stores throughout our journey.

Our next step is to ensure we have a safety plan. On a boat this would be an anchor, life raft, flares, and a radio. In a financial plan this would include insurance to protect against death, disability or illness, and access to funds in the event of an emergency.

The next task is to see how much and what type of fuel we have on board. Are we dealing with active engine power or passive sail power? This would equate to earned income from work or passive income such as rental or investment income. We would also need to project this income into the future to determine if it will be sufficient to get us to our final destination.

So now we have our crew, our stores,

our emergency equipment, and we know what power we are working with. The next step in our preparations is to map out our journey. Just like a nautical map, a financial map or plan will make certain assumptions and we will anticipate travelling to many points of interest along the way before making it to our final destination. Our course will likely have to be altered along the way as the winds of change blow in unexpected market changes and perhaps we encounter a reef of inflation or a power interruption from a career change. The plan will determine how much fuel we will need to complete our destination goals, what types of investment accounts to use, and what to put in those investment accounts to ensure we have enough to reach our goals in the future. A financial plan is not a permanent document but an ever evolving one. Your financial planner or navigator will know when to use more power, when to put out the anchor, and when to engage the other crew members along the way to ensure a successful journey, as well as how best to navigate through rough waters when the need arises.

I was once asked by a client where I would be stationed on the boat and I responded that I would be at the helm. This was followed by the obvious next question, "If you're at the helm, where will I be?" My response was, "You will be at the front of the boat deciding where you would like to go and what you would like to see along the way. After all, it's your journey."

Please let us know if our Wealth Management Team can help steer you in the right direction with a financial plan.

Article written by: **Brad Giroux, CFP®, CLU, CHS**

Expense Claims that Pass the Audit Test



Often taxpayers are audited by the Canada Revenue Agency (CRA) and end up being surprised when some or all of their expenses are disallowed. Many times this could have been avoided with proper documentation. In this article, we will look at some common issues the CRA has with respect to claiming of expenses and the related documentation.

In general, expenses are deductible if they are incurred for the purpose of earning income from business or property, and are reasonable in the circumstances. Too often taxpayers attempt to deduct personal expenses from their business income.

Bank statements and credit card statements are not sufficient evidence for a CRA auditor. You need to keep invoices that detail what was purchased.

Meals and entertainment

Receipts are the major supporting documents because they provide information such as the date/time, location, and the amount paid. Since there can be a definite personal aspect to these expenditures, the CRA also expects an explanation on how those meals and entertainment expenses relate to your business income. Therefore, you should document the following information on each receipt:

- Who attended the event
- Their relationship to your business
- What client matter or income it relates to

If you do not have adequate supporting documents, the CRA could disallow the expense.

Automobile expenses

When you have self-employed income, the CRA allows you to take a deduction for costs associated with your vehicle. The deduction is based on the number of kilometres you travel in your vehicle for business-related activities.

To calculate your deduction properly, you will need to keep track of your trips throughout the year, and also hang on to any receipts for vehicle-related purchases, in the event of a CRA review. To claim this deduction, the CRA requires you to keep a full logbook that journals your travel activities. Your logbook should list the odometer reading on the first day of the tax year (or the odometer reading on the first day you decided to start using your vehicle for business), and the odometer reading for the last day of the tax year. Then for each trip, note the date, the Kilometers travelled, the address or destination of your travel and the business purpose for the trip. From your logbook, at the end of the year, you will be able to determine the total kilometers travelled and the number of kilometers travelled for business purposes, and thus the total percentage use for business use. To determine your tax deduction, you apply this percentage to your total vehicle costs including:

- Fuel
- License and registration fees
- Insurance
- Lease expenses (CRA maximum lease cost may apply)
- Maintenance and repairs.
- The CRA prescribed capital cost allowance (depreciation)
- Interest costs

Home office expenses

Self-employed individuals often carry out at least a portion of their business activities at home. In order to claim home office expenses, you must meet one of the following requirements:

Your home office must be the principal place of your business

You use the space only to earn your business income, and you use it on a

regular and ongoing basis to meet your clients, customers, or patients

If you are an employee, your employer must complete form T2200 indicating that you are required to use part of your home as an office to carry out your duties.

To determine how much you can deduct for your home office expenses, calculate the size of your office as a percentage of your home's total size.

The rules for claiming home office expenses depend heavily on your type of employment: Both self-employed individuals and eligible employees may both claim expenses for heat, electricity, water, maintenance, and rent (if applicable). Commission employees and the self-employed may also claim property taxes and insurance. Only self-employed taxpayers may claim mortgage interest as a home office expense.

If you have maintenance costs that are related exclusively to your home office, you can deduct the entire portion of those expenses. Make sure that you keep all of your invoices to support your claim.

In some cases, you may not be able to claim the entire amount of your home office expenses in a single tax year. Both employees and self-employed individuals cannot create a loss from claiming home office expenses. The excess expenses can be carried forward and in most cases can be applied to future years.

Oral audit evidence

If you do not have all of your documentation in place when the auditor calls, they may accept your oral testimony as support for the tax deductions that you've claimed. However, in most cases you will lose at least a portion of your expense claim. The better way and to reduce your stress, is to develop a habit of making sure that you have the right documentation in place from the start.

If you have any questions, or need assistance with claiming expenses, please contact one of our DJB tax professionals.

Article written by: **Don Knechtel**, CPA, CA

Suppliers Outside of Quebec Must Now Collect QST



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On March 27, 2018, the Minister of Finance announced the creation of a new Québec sales tax (QST) registration service to ensure tax fairness for suppliers outside Québec and Québec businesses with regard to the collection of the QST on e-commerce.

Both foreign and Canadian suppliers, including digital platforms that act as intermediaries between suppliers and consumers must register to be compliant.

Foreign Suppliers

Mandatory registration was required by January 1, 2019 for suppliers outside Canada that meet the following conditions:

Do not have any establishments in Quebec, nor do they carry on a business in Quebec.

Are not currently registered for the GST/HST or QST.

Have made supplies of services or digital goods to individual consumers.

The value of such taxable supplies exceeds \$30,000 over previous 12 months.

Canadian Suppliers

Registration using the new system is mandatory for Canadian suppliers outside of Québec by September 1, 2019, if they meet the following conditions:

Do not have any establishments in Quebec, nor do they carry on a business in Quebec.

Are not currently registered for the QST.

Have made supplies of services or digital goods to individual consumers.

The value of such taxable supplies exceeds \$30,000 over previous 12 months.

*Visit our **Commodity Tax** section of our website for further information:
<https://www.djb.com/services/commodity-tax/>*

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