

MEMO

To: All Teaching staff and School Administrators

From: Jason Riddle, Manager of Accounting and Financial Operations

Re: Eligible Educators School Supply Credit

Date: January 11, 2017

Background

The Federal Budget 2016 introduced a teacher and early childhood educator school supply tax credit for 2016 and subsequent taxation years. This tax credit will allow an employee who is an eligible educator to claim a 15% refundable tax credit based on an amount of up to \$1,000.00 of purchases of eligible teaching supplies by the employee in a taxation year. For example, if a teacher purchases \$2,000.00 in eligible expenses in the year, they can claim a maximum tax credit of \$150 in that year ($\$1,000.00 \times 15\%$).

Who qualifies as an eligible educator?

Teachers employed at an elementary or secondary school who have a teacher's certificate that is valid in the province or territory where they are employed.

What types of teaching supplies are eligible?

An eligible teaching supplies expense is an amount paid in the year by an eligible teacher or early childhood educator for teaching supplies that are:

- Purchased by the teacher or educator for teaching or facilitating learning, and directly consumed or used in an elementary or secondary school or in a regulated child care facility in the performance of the teacher or educator's duties of employment;
- Not reimbursable and not subject to an allowance or other form of assistance (unless the reimbursement, allowance or assistance is included in the income of the teacher or educator and not deductible); and
- Not deducted or used in calculating a deduction from any person's income for any taxation year.

To be an eligible teaching supplies expense, the teaching supplies must be purchased in the taxation year, by an eligible teacher or early childhood educator to use in a school or in a regulated child care facility for the purpose of teaching or helping students learn.

Teaching supplies include consumable goods. Some examples are:

- Construction paper for activities, flashcards for activity centres;
- Items for science experiments, such as seeds, potting soil, vinegar, baking soda and stir sticks;
- Art supplies such as paper, glue and paint; and
- Various stationary items, such as pens, pencils, posters and charts.

The only durable goods that qualify as teaching supplies are listed below:

- Games and puzzles;
- Books for the classroom;
- Containers such as plastic boxes or banker boxes; and
- Educational support software.

Computers, tablets and items such as rugs/mats (for students to sit on) are not included.

Only eligible supplies purchased in a taxation year can be included in calculating the tax credit for that year.

More information is available on the Government of Canada website: <http://www.cra-arc.gc.ca/gncy/bdgt/2016/qa03-eng.html>.

As a result of the introduction of this tax credit, the CRA may ask you to provide a certification from your employer attesting to the eligible supplies expense.

If you are planning to claim this tax credit, we ask that you submit your request for certification of expenses by February 28 of the year subsequent to the taxation year of the tax credit claim. If requests for certification are submitted after February 28 of the year subsequent to the taxation year of the tax credit claim you may experience delays in receiving certification letters. Significant delays in submitting a request may result in the District being unable to certify the claim.

Certification request process

In order to request certification from the District you must complete a copy of the attached Employer Certification of Expenses Request Form with copies of detailed receipts of the eligible supply purchases attached (**original receipts should be kept by the individual**). The receipts must identify the items purchased not just a total dollar amount.

The form must be signed by the individual requesting the certification stating that the individual has not received reimbursement from parents or students for the eligible supplies.

The form must also be signed by the principal of the school stating that the individual has not received reimbursement from school funds for the eligible supplies.

Any request forms without both original signatures and copies of detailed receipts of the eligible supply purchases attached will not be accepted.

All Employer Certification of Expenses Request Forms should be sent to:

Jason Riddle, Manager of Accounting and Financial Operations
Newfoundland and Labrador English School District
95 Elizabeth Avenue
St. John's, NL A1B 1R6
Telephone: (709) 758-2342
Email: jasonriddle@nlesd.ca

Once a completed Employer Certification of Expenses Request Form is received, reviewed and approved, a letter certifying the expenses will be issued to the individual on District letterhead to be kept by the individual as part of their tax records.

If you have any other questions or concerns about the request for certification process please don't hesitate to contact me.