



Updates on COVID-19 Support from the Government of Canada

May 2021

ELCIC National and Synod Treasurers continue to meet regularly to review information on financial support available to congregations through the Government of Canada as we navigate through the impacts of the COVID-19 pandemic.

The following are a few of the recent updates.

Canada Emergency Wage Subsidy (CEWS)

Extension

The Government of Canada has proposed an extension to the CEWS until September 25, 2021. There is a gradual decrease in the subsidy starting in July, 2021. For more up-to-date information, follow this link: www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html.

Reporting Deadlines

Please be aware that there are application submission deadlines for each period. For claim periods 6 and on, the deadline is 180 days after the period ends. This means that the deadline for period 8 (Sept 27 to Oct 24, 2020) has already passed. The deadline for period 9 (Oct 25 to Nov 21, 2020) is fast approaching (May 20, 2021).

Further details on deadlines, including those very few situations where CRA will consider late applications, can be found here: www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-after-apply.html#change-1.

Record Retention

One significant item to note is that legislation has been enacted whereby no statutory limitation applies to the permissible Canada Revenue Agency (CRA) audit period for CEWS applications. This is different than the usual seven-year retention period that applies to most financial information. It is therefore very important that any congregation making applications for the subsidy keep detailed permanent records of their calculations, rationale for decision making, and related documents.

Here is a list of things to consider documenting and retaining permanently:

- eligible revenue assumptions (e.g. identify parties at arms' length, parties not at arms' length, extraordinary income)

- eligible remuneration assumptions (e.g. salary, housing allowance, etc.)
- elections and why they were made
- uncertain financial situation such as lack of offering revenue or building closure (to explain why subsidy was requested)
- revenue declines
- legislative interpretations

Canada Recovery Hiring Program (CRHP)

In addition to the CEWS extension, the recent federal budget proposes to implement the Canada Recovery Hiring Program that will be in place between June 6, 2021 and November 20, 2021. CRHP may be of interest to those congregations that are planning to hire additional employees and/or increase the hours for existing employees who have been working reduced hours during the pandemic. Eligible employers may claim either the CRHP or the Canada Emergency Wage Subsidy (CEWS) for a particular period, but not both. We will share more on this as more details become available.

Preferential Rates for Members: Special Rules

Most ELCIC congregations are registered charities with membership listings. CRA regulations stipulate that members are not permitted to receive preferential pricing or access for anything the congregation charges for or provides to non-members. This is because CRA does not permit donors to receive an advantage when they donate and receive a donation receipt. As a result, if congregations charge for facility usage or other fees, they must charge the same fee to members and non-members alike for room rentals, weddings, funerals, cemetery plots, etc... or show the “benefit” received on members’ tax receipts. This does not apply if no fee is charged but unsolicited donations are accepted. Details on this are available here:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/summary-policy-m05-membership-fees.html>.

Registered Charity Information Returns

Just a reminder that the deadline for congregations with a December 31st fiscal year end to file their T3010, Registered Charity Information Return is June 30, 2021. The Government of Canada gave a deadline extension in 2020 to charities reporting their 2019 year, but no such extensions have been announced for the 2020 year.

Questions? *As further information becomes available, it is our commitment to you that we will continue to keep in communication with new updates as they become available. Please contact your Synod Treasurer or the ELCIC National Office with any specific questions.*