

## Appendix A

### Summary Chart of Tax Treatment of Various Services Provided to Memorial University

Service Provided	Type of Payment	Tax Treatment
<p><b>A. Credit Courses (Degree and Non-Degree)</b>            In order to control the quality of teaching and related services, it is the practice of the university to contract with individuals, a contract of service, rather than other universities, organizations, firms, or proprietorships. Contracts must be signed prior to the commencement of teaching a course and those contracts will specify the party being contracted with as well as the method of tax reporting, T4 or T4A.</p> <p>If the individual is an employee of a university or other organization, then refer to items 1 or 2 below as applicable. If not, then refer to items 3 or 4 below as applicable.</p>		
<p><b>1. Employees of Universities</b></p> <ul style="list-style-type: none"> <li>a. Employee of Memorial University</li> <li>b. Employee of another university               <ul style="list-style-type: none"> <li>i. where contract is with the individual</li> <li>ii where contract is with the other university (other university will issue T4)</li> </ul> </li> </ul>	<p>Payroll</p> <p>Payroll</p> <p>Accounts Payable Invoice from Other University</p>	<p>T4</p> <p>T4</p>
<p><b>2 Employees of Another Organization</b></p> <ul style="list-style-type: none"> <li>a. Where the contract is with the employee</li> <li>b. Where contract is with the other organization (other organization will issue T4)</li> </ul>	<p>Payroll</p> <p>Accounts Payable Invoice from Other Organization</p>	<p>T4</p>
<p><b>3 Partners of Firms</b></p> <ul style="list-style-type: none"> <li>a. Course subject is directly related to the business of the firm. Contract is between the firm and the university.</li> <li>b. Course subject is not related to the business of the firm. Contract is between the individual and the university.</li> </ul>	<p>Accounts Payable Invoice from the Firm</p> <p>Payroll</p>	<p>T4</p>

Service Provided	Type of Payment	Tax Treatment
<p><b>4 Proprietors</b>            Where there is one professional or highly trained individual involved in the business (ie. the proprietary) the status of the individual should be the determining factor. For example, the individual may be a partner in a firm, an employee of a business or a staff member of the university and so on and reference should be made to the applicable category elsewhere in this guide.</p> <p>a. More than one professional or highly trained individual (ie. A professional or highly trained individual involved in addition to the proprietor), course subject is related to that business and appropriate contract is used</p> <p>b. Only one professional or highly trained individual involved (the proprietor) and specific facts indicate a business is being carried on (more rigorous examination of facts than above may be required)</p> <p>c. Specific facts fail to support assumption that an independent business is being carried on</p>	<p>Accounts Payable Invoice from the Firm</p> <p>Accounts Payable Invoice from the Firm</p> <p>Payroll</p>	<p>T4</p>
<p><b>B. Non-Credit Courses and Special Seminars</b></p> <p><b>1 Employee of Memorial University</b></p> <p><b>2 Employees of Another Organization</b></p> <p>a. Where the contract is with the employee</p> <p>b. Where contract is with the other organization (other organization will issue T4)</p> <p><b>3 Partners of Firms</b></p> <p>a. Course subject is directly related to the business of the firm. Contract is between the firm and the university.</p> <p>b. Course subject is not related to the business of the firm. Contract is between the individual and the university.</p>	<p>Payroll</p> <p>Payroll Accounts Payable Invoice from Other Organization</p> <p>Accounts Payable Invoice from the Firm</p> <p>Payroll</p>	<p>T4</p> <p>T4</p> <p>T4</p> <p>T4</p>

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<p><b>4 Proprietors</b></p> <p>Where there is one professional or highly trained individual involved in the business (ie. the proprietary) the status of the individual should be the determining factor. For example, the individual may be a partner in a firm, an employee of a business or a staff member of the university and so on and reference should be made to the applicable category elsewhere in this guide.</p> <ol style="list-style-type: none"> <li>a. More than one professional or highly trained individual (ie. A professional or highly trained individual involved in addition to the proprietor), course subject is related to that business and appropriate contract is used</li> <li>b. Only one professional or highly trained individual involved (the proprietor) and specific facts indicate a business is being carried on (more rigorous examination of facts than above may be required)</li> <li>c. Specific facts fail to support assumption that an independent business is being carried on</li> </ol>	<p>Accounts Payable Invoice from the Firm</p> <p>Accounts Payable Invoice from the Firm</p> <p>Payroll</p>	<p>T4</p>
<p><b>C. Guest Lecturers</b></p> <p>Each case will depend upon the particular circumstances, and some factors that might distinguish a guest lecturer from a part-time lecturer include the following:</p> <ul style="list-style-type: none"> <li>* No on-going responsibility to the participants or students attending</li> <li>* No marking or grading responsibility</li> <li>* Lectures are infrequent, usually non-credit and in most cases not part of a regular course</li> <li>* Fee charged to those attending</li> <li>* No appointment with the university</li> <li>* No office facilities or support staff provided</li> <li>* University has little control over the content of the lecture other than with respect to topic</li> <li>* Lecturer paid a single fee for giving the lecture and payment made at that time</li> <li>* Lecture or lecture series of limited duration</li> </ul> <ol style="list-style-type: none"> <li>1 a. Canadian resident</li> <li>b. Non-resident (15% withholding tax on gross income (10% -- fee of \$5,000 or less to U.S. individual) A tax waiver might be obtained in certain instances</li> </ol>	<p>Accounts Payable</p> <p>Accounts Payable</p>	<p>T4A</p> <p>T4A-NRD</p>

Service Provided	Type of Payment	Tax Treatment
exempting withholding		
<p><b>D. Guest Artist</b>  The Theatre Department of SWGC currently engages theatre professionals as guest artists/master teachers on contracts that run from two to thirteen weeks. Typically the theatre artist may teach all or part of one of the specially designated master classes at the third or fourth year level, and also will have a production responsibility as a director, actor, designer, dance or voice coach, etc., in a student production. Contracts are negotiated with the guest artists/master teachers outside the collective agreement with MUNFA and the university. The stipend depends upon the stature of the individual concerned, the magnitude of the responsibilities agreed to, and the duration of the engagement.</p>	Accounts Payable	T4A <b>Will apply for ruling from CRA</b>
<p><b>E. Other Miscellaneous Services (ie. Course Development/Revision)</b></p> <ol style="list-style-type: none"> <li>1 Employees of Memorial University <ol style="list-style-type: none"> <li>a. Where service is in the normal course of duties under existing employment contract</li> <li>b. Where service is clearly beyond the terms of the existing employment contract</li> </ol> </li> <li>2 Other than Employees <ol style="list-style-type: none"> <li>a. Where fee is predicated upon quantity produced (ie. number of papers marked, assignments graded, pages typed, etc.)</li> <li>b. If work is done away from the university, the person is expected to pay own expenses, was free to use the services of others and was simply required to produce a completed product</li> <li>c. Only individual's time is purchased and tasks are assigned</li> </ol> </li> </ol>	Payroll  Payroll  Individual -- Accounts Payable Business -- Accounts Payable Invoice from Business Individual -- Accounts Payable Business -- Accounts Payable Invoice from Business Payroll	T4  Similar criteria as that identified under E.2 (a) to (c) below apply T4A  T4A  T4
<p><b>F. Research Grant</b></p> <ol style="list-style-type: none"> <li>1 Up to 5% of salary while on sabbatical</li> <li>2 Grant in lieu of sabbatical earnings</li> <li>3 Grant in lieu of salary</li> </ol>	Payroll Payroll Payroll	T4A T4A T4A