



## Accounting For Departmentally-Sponsored Conferences

Many University departments sponsor conferences on behalf of organizations in their field of study. The following information is designed to assist those UVic staff members with the accounting required to record these activities.

### University Activity

If a conference is hosted by UVic, where the department receives the revenue (directly or indirectly through an agency arrangement), incurs the expenses and **assumes the risk of profit or loss**, the revenues and expenses of the conference are considered University activity. Such revenue and expenses are reported in the University financial statements with University policies and procedures applying.

If you are unclear of the University's role with a conference (is UVic really the host?), please contact the Supervisor of Financial Accounting for guidance.

### Use of an External Agent to Organize a Conference

Departments will occasionally contract the services of external suppliers to provide conference organization services. In such cases a purchase requisition should be raised and forwarded to Purchasing Services in accordance with the UVic Purchasing Policy. It should be clear in the agency contract who assumes the risk of profit/loss and how revenue and expenses are to be remitted and billed.

### Setting Up a FAST Account

If the conference is significant in terms of the number of transactions or dollar value then setting up a separate account in FAST is desirable. These accounts are set up in the Specific Purpose Fund (FAST code starts with 43xxx-5xxxx) which allows for project-to-date balances, which can span two or more fiscal years.

To request a new account, please complete the [Request for a new FAST Account form](#) and send it to Accounting Services. Departments are responsible for clearing the balance in these accounts at the end of the conference.

### GST

If the conference is a UVic activity, the University is responsible for collecting and remitting GST.

On the revenue side, conference registration fees are generally taxable, subject to the overriding rules such as internal sales within UVic.

Therefore registration fees should include 5% GST unless the University of Victoria is paying for registration. In this case, rather than raising a purchase order, and a cheque, the department paying should be charged the fee via journal voucher. See below for the correct FAST coding of these internal recoveries.

On the expense side, if substantially all (90% or more) of the revenues of the conference are taxable then the University may claim 100% of the GST paid on the associated expenses. If your account falls into this category please contact Accounting Services to review the account and provide instructions for calculating the appropriate recovery for the difference between 100% and the departmental rebate received.

### **Cash Deposits**

Cash and cheques received should be forwarded promptly to Accounting Services for deposit into the University's bank account. The [cash and cheque remittance form](#) is the appropriate form to summarize the total cash received and to record the revenue in the appropriate FAST account. Where GST has been collected, it must be split out and credited to FAST code 10000-00000-2022 where it is remitted to Canada Revenue Agency (CRA).

### **Recording Revenues**

Conference revenue generally consists of registration fees but it may also include grants from affiliated external organizations that provide assistance to the conference with no expectation of consideration in return. Such grants should be recorded using a revenue subcode such as 5520-Non-Government Grant (assuming the granting entity is non-government).

For accounting and tax purposes, registration fees should be distinguished between "external" sources and "internal" sources.

### **Internal Sales**

Internal sales occur when another UVic department pays registration fees on behalf of its employees or students. Payment in these cases should be made by directly charging the department's FAST account number (GST exempt as above) using a Journal Voucher rather than requisitioning a cheque for UVic to pay itself. If internal sales are expected, the conference host should provide sufficient space on the registration form for other UVic departments to provide their FAST account numbers.

The correct coding to charge a department and record internal conference fees is as follows:

Debit – Departmental Account of delegate (xxxxx-xxxxx-9233)

Credit- Conference Account of Host (43xxx-5xxx-5948)

UVic employees who register and make payment personally are considered “external” sales and should be charged GST. Due to the tax consequences, it is advantageous for UVic departments to pay the UVic conference host directly by journal voucher (with no GST) rather than to have an employee pay the fee themselves (including GST) and seek reimbursement from their department with only a portion of the GST recoverable.

### **External Sales**

External sales are all registrations not charged directly to UVic FAST accounts. Personal payments from UVic employees and Agencies (FAST accounts starting with 9xxxx-9xxxx) are classified as external. External registrations should be recorded using a subcode in the 573x range, such as 5735 Conference Registration Fees.

As suppliers are required to provide their GST number on their invoices, the registration form should also display this number (R10816 2470) so that entities paying may claim input tax credits or rebates where applicable.

### **Recording Expenditures**

Expenses incurred with the conference should be coded using [expense account codes](#) in the range 7000 to 7899, with the exact subcode depending on the nature of the expense incurred or email the [Financial Accounting supervisor](#) for any assistance needed.

### **Disbursement of any Surplus**

At the completion of a conference after all expenses have been paid there may be a surplus of funds. Often the expectation is that this surplus is to be forwarded to the next host of the conference to assist with next year’s organization. The appropriate recording of such a disbursement is to treat it as a grant expense using subcode 7281.

### **Insurance Considerations**

All conference activities will be covered by the University’s Comprehensive General Liability Insurance policy. However, some extra-curricular activities, sponsored by the conference, have the potential to expose the university to substantial liability.

Conference planners should consider the degree of risk associated with an activity and decide whether practical low risk activities should be selected over those posing a higher risk. If a higher risk activity (e.g. Whale Watching) is included as an option in the conference agenda, participants should be advised in the promotional material, that if they choose to participate in the activity they will be required to sign a waiver.

If the activity is being carried out by an external service provider, a certificate of insurance should be requested from the service provider as part of the contractual arrangements.

The University's Risk Analyst, Ben McAllister, can assist in drafting a valid waiver and/or in establishing the appropriate insurance coverage required of an external service provider. He can be reached at 250-853-3759 or at [bmcallis@uvic.ca](mailto:bmcallis@uvic.ca).