



## Covenant Health

Compassionate care led  
by Catholic values

### COVENANT HEALTH RESEARCH CENTRE

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Date: November 5, 2012

To: Covenant Health Researchers  
Cc: Covenant Health Medical Services

From: Sheli Murphy, Vice-President Operations, Rural Health Services, Executive lead for Research and Professional Practice

Re: **GST requirements for researchers**

Covenant Health has recently reviewed the application of the federal Goods and Services Tax (GST) to research services being supplied by researchers at our facilities. We believe it is important that you have all the information you need to conduct research at Covenant Health and would like to provide you with information about GST requirements.

Based on Canadian Revenue Agency (CRA) requirements, as a researcher in our organization, when you provide research services that **exceed \$30,000 annually**, you are required to register and remit GST for the services provided. If you do not charge or remit GST you may risk a GST audit by the government. You will not be out-of-pocket for the GST charges; the funds will be provided by your funding sponsor (e.g., pharmaceutical company) and may be claimed as an input tax credit by them.

Although it is not a necessary requirement based on the CRA guidelines, we are encouraging researchers who conduct services under the \$30,000 threshold to also consider registering for GST on a voluntary basis. The benefits to doing so include the ability to claim tax credits to recover GST paid on business purchases, ensuring you are covered should sponsors only wish to do business with registered researcher(s) and being prepared should total revenue from sales of taxable goods and services exceed \$30,000.

We encourage you to consult with your accountant or tax consultant to ensure you are meeting CRA guidelines. The CRA guidelines can be found at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-eng.html>

Please contact Mary-Ann Clarkes at 780.735.9330 if you have any questions or concerns specific to your research at Covenant Health.

As an organization we value the research work you do to discover and deepen our understanding of illness, best practice and trends in health care. We look forward to continuing to support your research.

Best regards,  
**COVENANT HEALTH**

Sheli Murphy, RN, PhD

/mt

Cc: J. Stachniak; S. Bandali; C. Gano; MA Clarkes