



The Bean Counters' Quarterly

Steve Kirkham C.A. Professional Corporation

June 2020

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Greetings!

Welcome to the June 2020 issue of The Bean Counters' Quarterly!

How are you? Really.

I hope this enewsletter finds you doing well, or at a minimum managing and getting through the tumultuous times we have been living through for the past three months. On the ideal side of things, I would be thrilled to hear that you're thriving, making new long-term routines, finding new ways to work, and living well! Life has certainly taken an unexpected turn and turned us all upside down. One day, we'll be the ones who tell our stories starting with "Well back in the days of Covid".

In our Dialogue section, I will answer a question about the challenges of **running a business during pandemic times**.

We've also provided an update and links from the government **regarding CEWS and CERB**, on the CPA Canada website, to ensure you're aware of what's changed.

We're going to use the Spotlight section to **highlight local organizations** in Oakville area, who need donations, resources, and/or volunteers. It's to encourage anyone who might be in a position to help others through these very difficult times.

Also, whether you're still in a slowdown period, just have more time available, or really need to be inspired and less stressed, this NEW book recommendation, with a strong Toronto connection, might be very timely for you to read over the summer months - **LEAN OUT: A Meditation On The Madness of Modern Life** by Tara Henley. As

Margaret Atwood said about this book, "Travel to the world of Couldn't Be More Timely."

The last portion of our enewsletter, in the About Us section, is our team sharing their answer to **what is the most important thing** that has helped them adapt to the difficult times during covid. We hope their answers resonate with you.

In closing, I'd like to wish everyone a **Happy Canada Day!** It's definitely a different celebration than usual, likely socially-distanced in your own backyard or home, but it's important to celebrate wherever you are. There is and will be much discussion on how well or how poorly our government has responded to this pandemic, but I think most would agree that we've done much better than a lot of countries around the world. For that, I think it's worth celebrating a *Happy Canada Day!*

Be well. Stay safe.

Steve Kirkham

The Dialogue Department



Here's our question/topic for this issue:

"What has been the most important (or difficult) part of running a business, leading a team of people, and servicing clients during a pandemic?"

Our reply for this quarter is from **STEVE KIRKHAM:**

Steve: *Continuity of business.* Considering the many businesses we deal with as clients, not to mention the numerous other ones out there, we were definitely fortunate to be in our line of work and have the ability to continue on as "normal" as possible. But it was still a struggle for us in terms of how to continue as normal, how to deal with clients, how to meet ever-changing deadlines, etc. Although we have a fairly small staff, there were definitely concerns surrounding their well-being and how to handle that. I am fortunate to have a very loyal group here, and we decided as a group to continue to run the office throughout as normally as we could. We will take a lot out of this experience, and keep some changes for the good going forward, but hope that we do not have to experience anything like this again in our working careers.

Here's What I Have To Say - (send reply to) steve@kirkhamca.ca

Federal government Covid-19 Tax Update



Federal government Covid-19 Tax Updates - excerpt from CPA Canada

Update: June 24, 2020

Update on CRA's Canada Emergency Wage Subsidy (CEWS)

The CRA has updated their CEWS FAQ page to reflect a number of changes that were recently announced. Details of each of these changes were discussed in our previous postings and blogs, and include:

* **The proposed extension of the CEWS for an additional twelve weeks.** The FAQ reconfirms that all the rules related to the CEWS for the proposed fourth period will be identical to the ones for the preceding third period. *It also highlights that an announcement of the potential changes to the program's framework for the fifth and/or sixth periods will be made shortly. The regulations for this extension have not yet been released.*

* The proposed expansion of the CEWS to capture employers who did not have a payroll account (RP) but instead use a payroll service provider (i.e. paymaster) who make their payroll remittance on the provider's RP account (see Bill C-17).

* The proposed change to allow corporations formed by amalgamation of two or more predecessor corporations (or where a corporation is wound up into another) to calculate benchmark revenue using combined revenues (see Bill C-17).

The CRA confirms in its FAQs that these proposed changes will only be administered and applied once the legislation has received Royal Assent. At present, Bill C-17 has not progressed since receiving first reading. Calculating qualifying revenues for recently incorporated businesses

In new question 6-5, the CRA clarifies that where a sole proprietor's business was recently incorporated, the corporation cannot compare its revenue to that of the proprietorship for either the corresponding period in 2019 or to January and February of 2020 when applying the revenue test (depending on when incorporation took place).

In other words, it will be treated as a brand-new business (see discussion on the Alternative Approach in Question 5 and Example 4 of the FAQ for new businesses). Qualifying revenues and adjustments for operational changes

New question 6-6 highlights that prior or current reference period qualifying revenues cannot be adjusted to reflect operational changes that have taken place in the business. An eligible employer should use its normal accounting practices when determining its qualifying revenue and that there are no provisions (other than the "special rules" referred to in the FAQ) that allow an eligible employer to adjust qualifying revenue from prior or current reference periods for changes in operation levels. As examples, operational changes that cannot be adjusted for include a supply chain disruption causing a loss of revenue in a prior period or a business or asset purchase in a current period that increases revenue.

Note that we have raised the business acquisition issue in multiple discussions with Finance Canada.

When employers need to repay the CEWS In question 28-1, the CRA provides information on circumstances where an employer needs to repay the CEWS.

The CRA has also provided instructions on how to repay either entire or partial amounts received on the "after your apply" section of its CEWS landing page.

Employers may be subject to interest on excess wage subsidies received and penalties may apply on all fraudulent claims.

Update: June 16, 2020

Federal government extends CERB for an additional eight weeks

The Prime Minister announced that the government will **extend eligibility for the Canada Emergency Response Benefit (CERB) by eight weeks** - enabling those who are trying to find work to keep claiming the \$2,000/per month benefit.

Read the news release for more details.

[CPA Canada](#)



Spotlight on GIVING



This pandemic has affected everyone, but it has not affected everyone equally. Many in our community have been extremely affected by loss of income, business, and/or resources. The impacts are most certainly financial, but also contribute to physical/mental health risk and harm. Many don't qualify for the government programs that have been available or have exhausted the programs or services. In light of this, we'd like to use this space in our enewsletter to highlight some local options (local to us in the Oakville area) where they really need help with donations, resources, and/or volunteering.

We'll highlight a few specific programs that might resonate with you, but there is a website that provides a long list of helping organizations in Oakville on the CanadaHelps website. The link is provided below:

Food Services:

Fanshare Food Bank (<http://www.oakvillefoodbank.com/>) 1240 Speers Road - (905) 847-3988 Fareshare is a volunteer run food bank in Oakville that serves 350-400 families a month. Fareshare is still open for deliveries and donations and is providing food on Mondays and Thursdays at specific times.

Donations:

Oakville Meals on Wheels <https://www.oakvillemealsonwheels.com> (905) 842-1411 Meals on Wheels provides nutritional meals and emotional support to the elderly community in Oakville.

Volunteers:

Kids Help Phone <https://kidshelpphone.ca/get-involved/participate/volunteer> Kids Help Phone offers 24/7 counselling for troubled Canadian children in both English and French. They accept monetary donations and are volunteer-led.

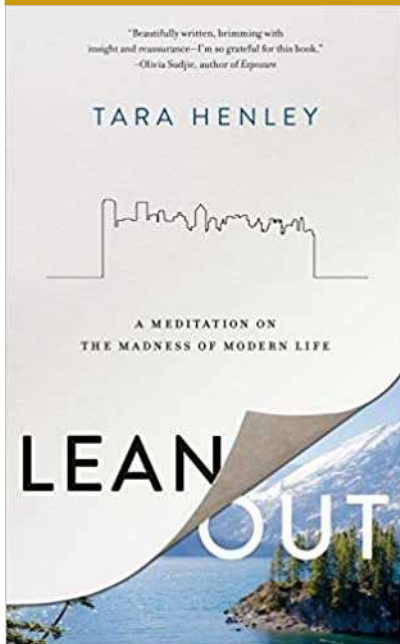
Thank you for helping those in need in our community!

Team Kirkham

We recognize that we can't spotlight all the great organizations doing good work, in this space, but if you have a recommendation we might be able to include it in our next issue.

[CanadaHelps Oakville](#)

Recommended Reading:



LEAN OUT: A Meditation On The Madness of Modern Life *by Tara Henley*

INSTANT NATIONAL BESTSELLER

"Travel to the land of Couldn't Be More Timely."--Margaret Atwood on *Lean Out*

"What begins as one woman's critique of our culture of overwork and productivity ultimately becomes an investigation into our most urgent problems: vast inequality, loneliness, economic precarity, and isolation from the natural world. Henley punctures the myths of the meritocracy in a way few writers have. This is an essential book for our time." --Mandy Len Catron, author of *How to Fall in Love with Anyone*

A deeply personal and informed reflection on the modern world--and why so many feel disillusioned by it.

In 2016, journalist Tara Henley was at the top of her game working in Canadian media. She had traveled the world, from Soweto to Bangkok and Borneo to Brooklyn, interviewing authors and community leaders, politicians and Hollywood celebrities. But when she started getting chest pains at her desk in the newsroom, none of that seemed to matter.

The health crisis--not cardiac, it turned out, but anxiety--forced her to step off the media treadmill and examine her life and the stressful twenty-first century world around her. Henley was not alone; North America was facing an epidemic of lifestyle-related health problems. And yet, the culture was continually celebrating the elite few who thrived in the always-on work world, those who perpetually leaned in. Henley realized that if we wanted innovative solutions to the wave of burnout and stress-related illness, it was time to talk to those who had leaned out.

Part memoir, part travelogue, and part investigation, *Lean Out* tracks Henley's journey from the heart of the connected city to the fringe communities that surround it. From early retirement enthusiasts in urban British Columbia to moneyless men in rural Ireland, Henley uncovers a parallel track in which everyday citizens are quietly dropping out of the mainstream and reclaiming their lives from overwork. Underlying these disparate movements is a rejection of consumerism, a growing appetite for social contribution, and a quest for meaningful connection in this era of extreme isolation and loneliness.

As she connects the dots between anxiety and overwork, Henley confronts the biggest issues of our time.

[LEAN OUT: A Meditation On The Madness of Modern Life](#)

Stuff To Know About Our Team



WHAT IS THE **MOST IMPORTANT THING** THAT HAS HELPED YOU ADAPT TO THE DIFFICULT TIMES DURING COVID?

Sherry's answer is: *My husband.* While I am going to the office trying to be safe, Grant is doing all the grocery shopping and handling all the things that require contact with the general public. Here at the office we are keeping the front door locked which helps to ease my conscience too. The more cautious we are, the sooner we can get this under control and get everyone back to normal.

Linda's answer is: *My need/love of the outdoors.* Daily long walks and bike rides helped me to clear my head and drown out the barrage of daily COVID news. And that our occupation (accounting) was deemed an essential service, therefore we remained

operational during the past months. Having a place to go to every day gave me a schedule to adhere to and a sense of normalcy not many people had.

Andre's answer is: *Remote access.* The remote work setting that has been implemented by the firm for many years, really helped. While other companies are dealing with the shock of switching from in-house office to online, for me it is really no significant change. The only inconvenience was that onsite audit has been impossible as long as the city is in closed status.

Ana's answer is: *My husband.* We have been spending a LOT of time together, and he is constantly reminding me to "social distance". This has been extremely difficult for me as I am a "hugger" but I understand the need and am getting very good at "air hugs".

Derek's answer is: *Perspective.* During the pandemic I started reading about Stoicism, a philosophy that began in Greece about 200BC and embraced by the Roman emperor Marcus Aurelius (161-180AD). The Stoics seem to have a way of breaking down problems and helping me change my mindset. There have been so many quotes that I love: "You can leave life right now. Let that determine what you do and say and think" - Marcus Aurelius. "We are more often frightened than hurt; and we suffer more in imagination than in reality" - Seneca. And my favourite: "Waste no more time arguing what a good man should be. Be one." - Marcus Aurelius. I read and reread these quotes often. It helps me put some perspective into my life.

Steve's answer is: *Continuance of the status quo as much as is/was possible.* We have all had to deal with significant changes since the middle of March, but for me, trying to continue with as much of the regular routine as possible has helped. I like routine and knowing what is ahead. I understand that an accountant without a sense of spontaneity may be hard to grasp, but that's just me! My regular routine was the continued ability to go to the office every day, and although it was a different experience with no in-person client interactions, it was at least some form of normal.

Quick Links...

- [The Bean Counters' Quarterly Home Website](#)
- [More About Steve Kirkham C.A. and Our Team](#)
- [Canada Revenue Agency - for Business](#)
- [View previous issues of our Bean Counters' Quarterly](#)

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