

Gloucester-Cumberland Ringette Association (GCRA) Player Sponsorships & Team Account Surplus Policy

Player Sponsorships - Explanation

A parent who owns, or is a partner in, a business and who attempts to 'sponsor' their own child from a company account would find, if audited, that this is NOT an allowable business expense. Further, the Canada Revenue Agency may choose to reallocate this 'sponsorship' to the parent as a taxable benefit. Consequently, GCRA will not issue a tax receipt to a business/parent who attempts to sponsor their own child.

* **Note:** Reciprocal Player Sponsorships; "My business will sponsor your child and your business will sponsor my child and we'll both get a tax receipt", will NOT be honoured as a true sponsorship and a tax receipt will NOT be issued.

Player sponsorships collected for a specific player should not exceed the team fees for that player. Player Sponsorship money collected in excess of the team fees will go into the team account.

Team Account Surplus

In the event that there is money left over in the team account at the end of the season, it is normally offered back to each family. Money to be refunded from the team account back to each families cannot be more than what each paid into the team account as it is assumed that the excess money is **sponsorship** money (for which a tax receipt was issued to the sponsor) and does not belong to the families. This excess money is to be given over to the Association for deposit into the 'Bernie Cockburn Benevolence Fund'.

Approved by the Executive: January 23, 2012