



# THE Palette

www.manotickart.ca

Newsletter of the Manotick Art Association

Box 1167 MANOTICK, ON K4M 1A9

March 2008

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## Annual General Meeting 4 March 2008

On the 4th of March, the Manotick Arts Association has their annual general meeting (AGM).

As with previous years, the past year is presented in review, a brief statement of the finances by the Treasurer, and the election of some of the Executive officers.

Then the floor is opened to any topic of interest to any member. In the past, these have led to informative and often gleeful discussion.

Once the business is done, our guest speaker takes the floor: Jim Weller has graciously accepted our invitation to critique the work of members.

If you get a chance, bring a work to the AGM for Jim's review. Don't be shy: there is always lots to learn, and the lucky ones never stop!

## Jack Elmes honoured as a life member

Our dear friend Jack Elmes has been made an Lifetime Member of the MAA. Jack is very ill and is in hospital. Sheila King has sent Jack and Audrey a card on behalf of all of us at MAA, along with our love and support.

We will miss Jack at our meetings with his birds and critters.

We hope that he is placed in a wonderfully long term care that he truly deserves, and one that is convenient for Audrey to visit.

## February Guest Speaker: artist Carol Purdy



On February 5<sup>th</sup>, we were treated to a great presentation by Carol Purdy, artist extraordinaire and humble speaker. Carol

brought a wealth of training and experience to her talk on the theory and practice of printmaking. She took us through the history of printing, from the Masters to modern times and approaches.

I truly appreciated her demonstration of the varied materials and techniques of modern printing. I was also impressed by

her commitment to honouring the integrity of true print-making versus modern facsimiles.

I did not know Carol before, though knew of her work with OMMA and her teaching at the Nepean Visual Arts Centre. I found her to be a delightful presenter with a wonderful wit, and a high caliber of teaching. I truly liked her mixed media work with collaged layers of hand-made prints.

Thank you, Carol, for bringing us "that little bit of magic"; I am delighted that you have decided to join the MAA!

Yours in art,  
Danielle Nahon

Visit Carol's website at  
[www.carolpurdy.com/](http://www.carolpurdy.com/).

Information about printmaking can be found on Carol's site and many other. A good place to start is [www.en.wikipedia.org/wiki/Printmaking](http://www.en.wikipedia.org/wiki/Printmaking).

## MAA Spring Show

The MAA Spring Show is underway. Our dates are May 2 to 4 2008 at the Manotick Curling Club, with a vernissage on Friday evening, May 2<sup>nd</sup>.

There is much to be done to plan, promote, set-up, cater, sell, collect monies, and take-down.

Membership Coördinator Sheila King has volunteered to chair the effort and has created a number of working groups to organize, and muster the work.

Please contact Sheila and sign-up for the work groups. Members are expected to participate if they wish

to show their work.

We also need a theme for the show. Please give this much thought as the show draws patrons from all over Eastern Ontario and western Quebec. The theme drives our decorating schemes, as well as the design of our promotional materials!

Some suggestions are:

- A Brush With Art
- Through the Eyes of the Artist
- Good Art Doesn't Have to Match Your Sofa
- From Snow and Ice to Paradise
- The Color Wheel
- As the color wheel turns
- The village speaks in colour

(our thanks to Rob Fowler, Sheila King and Douglas Laing)

Sheila has also mailed out registration forms to members. You must register and pay for your booth by 23 March 2008.

## Opportunities to Show

As a member of the MAA, you have the opportunity to exhibit your work in the Manotick area:

- The Miller's Oven
- Manotick Library

Please contact a member of the MAA executive for information.

## Business Tax presentation and more tips from Vic

On the 26th of January, we were treated to Small Business and Tax information from Phil Jolie, MAA member and a director at the Canada Revenue Agency (CRA). He gave a presentation on the tax aspects of carrying on a business as an artist and answered any questions we had on the subject. The event was provided free of

charge, sponsored by the MAA.

Vic Dohar, our MAA treasurer, has compiled the following additional information and tax tips for members who currently run an art (or any) business, and to encourage members who are thinking about doing so.

Vic has provided below some notes on how he tackles the filing of his business with CRA as part of his personal income tax return, and methods of record keeping using Excel spreadsheet if you don't have book keeping software.

"First, the tax side of things and following up on Phil Jolie's presentation. I can't recall if Phil stated the forms that self-employed individuals must use when filing their income tax returns, so here are the links:

The form to fill out is <http://www.cra-arc.gc.ca/E/pbg/tf/t2124/t2124-07e.pdf>

The guide to assist you completing the form is <http://www.cra-arc.gc.ca/E/pub/tg/t4002/t4002-07-e.pdf>

*Note to readers that do not have a computer:* Contact a member of the MAA executive for a printed copy of these forms.



"I have personally completed these forms for the past two years.

Of concern to artists are the following income sources and expenses that I have listed below and where to include them in the form (line number on the form).

There may be other expenses that you could claim, especially if you are an artist and running your business not from your residence, having someone else do your framing, or in a more serious full-time manner. When in doubt always consult the guide; it really is quite well explained!

## Income

Sales (line a) "These would be all sales and should include taxes the vendor paid, and any commissions you paid to a gallery/exhibition. The taxes collected and remitted are deducted next, and the commissions paid are deducted as an expense, so it all works out in the end and everything is transparent from CRA's point of view.

"A quick note about donations to a charity: If you donate a piece of artwork to a charitable organization and you receive a receipt, you must include the amount on the receipt as a sale even though you did not receive any funds. Surprisingly, this actually works out in your favour because you also get to claim the amount as a charitable donation as part of your personal income tax return which is calculated as a percentage based on the highest tax return rate.

"In other words, if your net income puts you in the lower tax bracket, the amount of income tax paid on the value of the donation will be less than what you would receive (or claim) as a charitable deduction. The difference is in your pocket not the gov't! So it pays to donate and promote your artwork.

"Right below the Sales line (a) you would add up all the GST and PST that was included in your sales and deducted this from your income.

**Line 8230 Other Income** "When you remit PST to the Ont gov't, they compensates you for your filing efforts. Put this amount here.

**Line 8300 Opening Inventory** "Enter "nil" Take advantage of this loop hole for artists in not having to keep track of your inventory. See page 12 "Inventory value of an artistic endeavour" in the guide for more information.

**Line 8320 Cost of goods sold/Purchases during the year**

"These would be items your purchased that are included in the items you sell/sold (e.g. paint, canvas, paper, pastels, coloured pencils, charcoal, framing material, glass, stretcher frames, varnish - anything that is used directly in the products/artwork that you create; brushes would not be included as it is not directly part of the artwork - it is a capital item, see line 9936)

By the way, if you have an Ontario Vendor permit you should not have to pay any PST on these items that you purchase, because they are deemed to be resold to the public.

**Line 8500 Closing Inventory**

"Enter "nil" Again, same reason as line 8300.

**Expenses**

"What is considered reasonable to support your business venture. The following expenses could be used by most artists.

**Line 8521 Advertising** "Any fees paid to newspapers for show advertisements.

**Line 8760 License, Subscriptions, Memberships** "Magazine subscriptions (if you can prove you used a magazine to create your artwork) and membership fees.

**Line 9275 Delivery and Freight** "Cost of shipping your artwork to a vendor. If they paid for shipping and handling, that amount must be included in the final sales as income above.

**Line 8523 Meals and Entertainment** "If you had a meeting at a restaurant/bar to discuss something related to your business, you can claim 50%. You must keep both sales slips: the list of items/meals/drinks paid for and the final transaction like a credit card slip. Meals consumed during travel expenses must be claimed in line 9220.

**Line 9281 Motor Vehicle**

**Expenses** "If you drive to shows, clients, meetings workshops you can claim a proportion of your licensing, registration fees, insurance, maintenance, repairs, and fuel costs based on the proportion of the kilometers driven for business use compared to personal use.

"To accomplish this you must keep a log of trips used for business purposes: the kilometers driven (odometer reading at start and end), the date, the destination, and the purpose (included individual names). You must also know the total kilometers driven on the vehicle during the year.

"The difference between the kilometers driven for business and personal use is the proportion or percentage you can apply to the related expenses. (e.g. I drove 500km for business related functions, but overall I put 10,000km on my vehicle, therefore I would claim 500km/10000km or 5% of the annual eligible expenses I have incurred).

**Line 8810 Office Supplies** "Stuff to run the office side of your business (e.g. paper, pens, stationary, ink for printers, etc...)

**Line 8811 Supplies** "This is stuff that is used to create your artwork or support your business but is not part of the final sale and is not considered a capital item (e.g. matt cutting blades, light bulbs for your lights at shows) ... not many items will end up in this category.

**Line 8860 Legal, Accounting, Professional Fees** "If you have an accountant prepare your return, then you shouldn't be reading this, but their cost is your expense and it goes here.

**Line 9200 Travel** "If you have to travel to a city for a show that you are part of, you can claim travel expenses (tickets), hotel accommodation, and restaurant

meals. (meals claimed at 50% as in line 8523)

**Line 9220 Telephone** Keep track of those long distance call made. The cost of separate phone lines can also be claimed.

**Line 9270 Other Expenses**

"Registration fees for art shows and workshops, and the commissions you paid or that was kept by the gallery/exhibition. You can claim the expenses for a maximum of two conventions/workshops related to your business provided the location the workshop is the normal location that the workshop is held.

"In other words, if the MAA holds a workshop in Florida CRA would not find this acceptable.

Line 9936 Capital cost allowance "Read below.

**Line 9945 Business-use-of-home-expenses** "If you run your art venture in your "principal place of residence" (a.k.a. your home) you can claim heat, electricity, insurance, property taxes, water, sewer, mortgage interest and maintenance as a percentage of the space it occupies in your home. See the guide for examples. Thing to keep in mind is you can't use this expense to lower your net income as a loss.

"**Capital items** are those items that are not included as goods in the items you sell (line 8320), and are not consumed like office supplies (line 8810 and 8811). They can remain in your business for many years. Examples of these items are: brushes, palette trays, palette knives, easels, display grids, canopy for outdoor shows, computer, printer, rulers, drawers, cabinets, storage bins, tables, lighting equipment, outdoor advertising signs ... I think you get the picture.

"Capital items are divided into classes (categories). I have used

class #8 and #12 for most of my capital claims.

"Class #12 are for small tools, and most of our equipment like brushes, palettes will fall into this class. You can claim 100% of the cost of these capital items.

"Class #8 are considered as other property and would apply to furniture, equipment, easels, display grids. Your expense of these items is spread out over 5 years (because they depreciate in value), therefore you can only claim 20% each year and carry forward the remainder. Sounds complicated?

"It really isn't if you use the table provided for calculating the capital cost allowance. Computers, printers, electronic equipment fall under additional classes where you can claim 45%. I strongly urge you to read the section on these classes and how to calculate the capital cost allowance.

"One important thing, which is quite obvious, if you make a claim and can not support it with receipts do not bother entering it as CRA will not accept it in the case you get audited. You do not have to include your receipts with your return, but they should be listed separately. You should also hold on to them in case you get audited.

"Finally when you add everything up you will understand the term "starving artist". Running a business is expensive and it just proves that "our" original artwork is undervalued, unless your name is Trish Romance or Robert Bateman. Perhaps the increase of sales at previous MAA Spring Shows is an indication that the price of our artwork is not keeping up with the cost of inflation ... and consumers are aware of bargains to be had.

### **Record keeping**

"I can send an Excel spread sheet

that can be used to keep track of your sales and expenses. These sheets can also be printed and included as part of filing your business income and expenses as supporting documentation for CRA. I have included only one expense sheet as an example, Office Supplies. You can copy the sheet to other sheets for the other expense lines. The PST, GST and the price paid is calculated automatically in the blue columns so you need to have to enter anything.

"If you didn't pay PST or GST, simple write over the calculated amount with 0. As per Gerda Wolker's wonderful suggestion, the total paid for each expense is provided at the top of the spread sheet. Therefore, all you have to do is simply keep adding your expenses to the next available line underneath. I also write a unique sequential number on each receipt that is entered in the spread sheet, providing an easy reference in case I have to dig up a receipt. Any number system will do as long as you understand it.

"For the sales spread sheet, it is pretty straight forward. You might also want to keep a separate sheet containing contact information for the venue, purchaser, and a more detail inventory of the items sold. Again it is for the purpose in case of audits. The sales spread sheet also keeps track of the total PST and GST collected and any commissions you paid to a gallery/exhibition.

"Overall, keep all your receipts and log any activities to support your claims. If you manage them effectively, like using a spread sheet, it will be quite an easy task when it comes to file your return.

"I hope this has helped you. If you have any questions please don't hesitate to contact me. I am not a professional accountant as I only follow the directions as written in the CRA Business Guide and as

such I take no responsibility in your filing of your statement of business activities. That's my disclaimer!

Vic Dohar, *Treasurer*  
Manotick Art Association".

## **Coming events**

The following guest speakers and events are planned:

### **March**

**Critique night** with Jim Weller

### **April**

April is being finalize. More news soon.

### **May**

Andrea Mossop Green, on **Cezanne**

### **June**

MAA summer party for members

Our thanks to Danielle Nahon, Program Chair, for her efforts on behalf of MAA.

## **MAA Member News**

**Ann Gruchy** has been exhibiting at the Macdonald-Cartier International Airport (Ottawa) in the international/domestic departure lounge area from December 2007 through February 2008. Please stop by and enjoy her works during your travels. We hope you have had much success Ann!



**Sheila King** is the Artist of the Month on the Ottawa Mixed Media Artists site, and her work is on display

at <http://groups.msn.com/omma/>. Please visit Sheila at the site: if you read her bio, you will discover some pretty neat things about our MAA Membership Coördinator.

Sheila says that OMMA "has over 200 members and growing with many shows throughout the year, some of them juried. A permanent

gallery space has been donated by City of Ottawa, and I am in it June-August 2008."

Best to you Sheila.

## Member Galleries on the MAA Website



We invite all members to submit images of their work for display on the MAA website.

Go to the site [www.manotickart.ca](http://www.manotickart.ca) and click the Galleries button.



The page refreshes and the Galleries menu is listed. Click the MAA Web Gallery link.

When the Gallery is displayed, you are instructed to send an e-mail to the MAA webmaster for instructions on how to post images of your work and other information such as a biography, artist's statement, and other important information for members and the public alike to get to know you the artist.

To get some idea about what to say, CHEAT by looking at the artist pages already displayed!

For members without computer access, please contact a member of the Executive and instructions will be mailed to you to create your web page.

## Please contribute to the Palette!

Please contribute to the Palette. Our deadline is the **15<sup>th</sup> of each month** for items to appear in the Palette. Items of interest can be:

- art shows you are in
- courses you are teaching

- awards you have received
- courses you have taken and recommend

## MAA Workshops

The Manotick Art Association attempts to host approximately three workshops per year, presented by well known and respected professional and established artists in various mediums. Workshops generally take place at Carsonby Hall providing a cozy and productive venue. Members in good standing can participate in any of the workshops delivered and organized by MAA. Suggestions for workshop themes can be directed to any member of the MAA executive.



## Membership dues

Please remember to bring your membership form and fee to the AGM. Please note that after the February 29th, a \$5 late fee applies. Membership forms and fees can be mailed to the MAA Membership Coördinator:

Sheila King  
1219 Upton Rd  
Manotick, ON K4M 1B3

## Contributors

Danielle Nahon, Sheila King, Ann Gruchy, and Vic Dohar have contributed to the February issue.

Please plan to contribute your personal news and items of interest to the membership by e-mail to Douglas Laing (the editor) at [thepalette@manotickart.ca](mailto:thepalette@manotickart.ca), or by mail to

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## Information privacy

Under the privacy policy of the MAA, e-mail & geographic addresses and telephone numbers of members are private information, and are **not** to be used or broadcast for any purpose without the consent of the member.

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