

**Background information on the use of the Goods and Services Tax refund of \$75,295.32 meant to be returned to the SKA Trust Fund for SKA's operational purposes**

1. Following the completion of the Singapore Khalsa Association (SKA) building refurbishment project (2014-17), the final sum of \$147,576, being part of the Goods and Services Tax (GST) refund, was to be transferred from the SKA operating account to the Building Fund account. This was the final tranche of the GST refund for the project. This sum of \$147,576 is reflected in the Building Committee's report on the project.
2. Unutilised GST refund and the remaining monies in the Building Fund account were to be eventually returned to the SKA Trust Fund.
3. When the current Management Committee (MC) came into office in July 2018, the SKA operating account had a sum of \$72,280.68 (as at 31 July 2018). There was also a sum of \$67,905.32 in the Building Fund account at that point in time. The MC made payments amounting to \$63,293.00 for several works at the Association. These included water proofing and final payment to the architect and structural engineer, costs that were approved by the previous MC and/or Building Committee. Following the payment of bank fees amounting of \$450.00, the Building Fund account had a balance of \$4,162.32. At the same time, as a result of the aforementioned expenditure of \$63,293.00, there was a GST refund of \$3,493.00 from vendors who were GST-registered. The total GST refund details are summarised as follow:

S/No	Description	Amount (\$)
a	GST to be transferred from SKA's operating account to the Building Fund account	147,576.00
b	Balance in the Building Fund account after additional expenditure	4,162.32
c	GST refund for subsequent expenditure	3,493.00
	<b>Total amount to transferred to the Building Fund account</b>	<b>155,231.32</b>
d	Monies in the SKA operating account (as at 31 July 2018)	72,280.68
e	Items (b) and (c)	7,655.32
	<b>Total amount transferred to the Building Fund account</b>	<b>79,936.00</b>
	<b>Variance</b>	<b>(75,295.32)</b>

4. Based on the above computations, the current MC is obliged to return \$79,936.00 to the SKA Trust Fund since the Building Fund account has been closed. It made the necessary payment in August 2020.
5. The variance, amounting to \$75,295.32 (subject to final audit), was used by the MC (2016-2018) for operational purposes. The bulk of the operating cost during that period can be attributed to the salaries of the administrative staff as the function rooms and restaurant/lounge at SKA were not in operation or not to their expected usage levels.
6. The proposed resolution is for the membership to approve the use of \$75,295.32 meant to be returned to the SKA Trust Fund for SKA's operational purposes by the previous Management Committee (2016-2018).