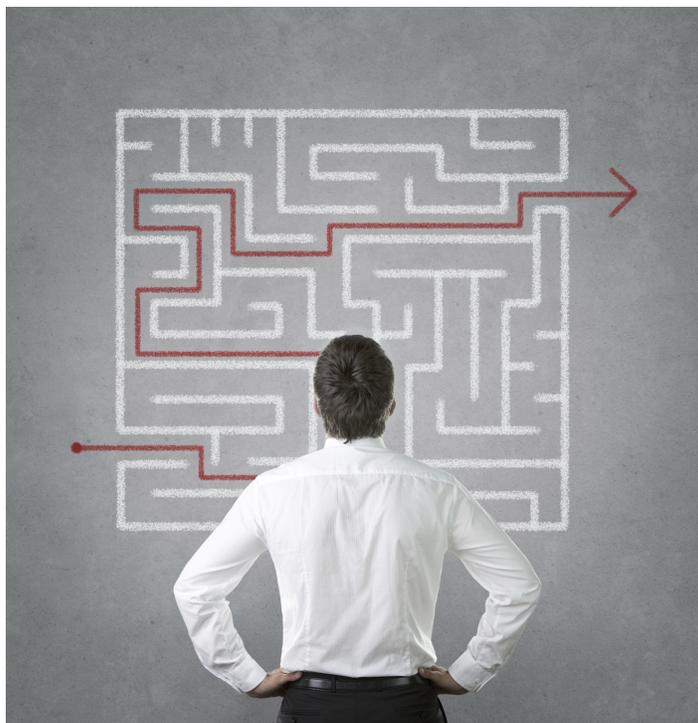


A publication of the Finance Department, The Salvation Army Canada & Bermuda Territory.

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Money & Mission



Editorial

Making Strategic Planning Strategic

We hear a lot about strategic planning these days; many parts of the Army are dedicating time to developing strategic plans, whether for particular ministry units, urban areas, divisions or territories. Sadly, much of what passes for



Giving Hope Today

Volume IV,
Issue 13
April 2, 2014

IN THE NEWS:

THQ HOSTS FIRST-EVER BUSINESS & H.R. CONFERENCE --- Territorial Headquarters was the venue for the first-ever Territorial Business & Human Resources Leaders' Conference from March 16-19, 2014. Participants included divisional secretaries for business administration, divisional finance secretaries, divisional directors of employee relations and management staff from the THQ business and personnel services groups. Hosted by Lt Colonel Lee Graves, Territorial Secretary for Business Administration, the conference theme was "Forward in Faith". Plenary session speakers included Commissioner Brian Peddle, Territorial Commander Colonel Mark Tillsley, Chief Secretary, Marilyn DeMara, National Not-For-Profit Practice Leader at KPMG, LLP, Janice Wismer, President, Radical Simplicity, Inc., Paul Goodyear Financial Secretary, Captain Les Marshall, Public Relations & Development Secretary, Beverly Cooley, Territorial Health & Safety Consultant, & Sheldon Goolabsingh, Workers

strategic planning isn't very strategic, and some of it is flawed even from a planning perspective. The worst problem, however (and one faced by other organizations) is that, no matter how good our strategic plans, they often fail because of poor implementation.

Budgeting is a key component of strategic planning and implementation. The operating and capital budgets should demonstrate the extent to which an entity is serious about its strategic plan. If the strategic plan is to be accomplished, then the budgets will show that resources have been assigned to its implementation and, if necessary, realigned from non-priority areas to the strategic priorities agreed upon by the organization. A strategic plan without resources allocated to it is as useful as a car with an empty gas tank. It won't take you where you need to go.

Do you have a strategic plan for your operation?
Does the budget reflect your strategic priorities?
Are you willing to give up something else to make resources available to achieve your strategic goals and objectives? If you can't honestly answer 'yes' to these questions, you

Compensation Consultant,
Astra Williamson, Director of
Internal Audit.

**IMAGINE CANADA
RELEASES CORE
RESOURCE** --- Imagine Canada has issued a new resource to help charities have better conversations with Canadians. The resource, which is part of Imagine's Narrative Tool Kit, may be downloaded free of charge at <http://sectorsource.ca/research-and-impact/> and clicking "Narrative Tool Kit".

Comments, Suggestions?

Do you have comments on any of the topics raised in this issue, or suggestions for a future issue? Write to us at:

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need to re-think whether there's any point in strategic planning at all.

Accounting & Financial Reporting Focus

Regional Accounting Strategy

Many readers will be aware that in 2013, the Territorial Management Board determined that the Territory's strategy for accounting and financial reporting would be to have the finance department's regional accounting groups perform all accounting functions.

Less than 100 ministry units currently perform their own accounting, most of them in Ontario. The plan is to move these units to regional accounting, with units outside Ontario migrating by mid-2015 and those in Ontario by mid-2016.

Regional accounting was first implemented in 1998, primarily to perform accounting for divisional headquarters. Some divisions were already performing the accounting for ministry units that had had difficulty doing so

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on their own, so these units became clients of the finance department at the same time.

Since then, and up to the time of the board's decision to implement regional accounting for all ministry units, over 330 of the territory's 460 or so units for accounting purposes had contracted with the finance department to perform their accounting.

The Board's decision to implement regional accounting everywhere stems from a number of benefits observed in clients of the finance department. These include improvement in the quality of financial reporting, evidence from internal audits indicating a higher level of internal control and policy compliance, lower external audit costs, more timely reporting and economies of scale that allow for greater efficiency and lower costs.

We recognize that some ministry units would prefer to retain responsibility for their own accounting and find the territorial decision difficult to accept. At the same time, we believe that this strategy will have tremendous benefit for the territory as a whole and for individual ministry units. We

are committed to implementing the strategy on a ministry unit by ministry unit basis, in dialogue with DHQ and ministry unit personnel, so as to ensure a smooth transition for all concerned. We remain steadfast in our mission to relieve ministry units of administrative burdens to maximize time available for direct mission and ministry.

Charity Corner

Charity Spending in Spotlight Again

Spending by charities is in the spotlight again with media attention focused on the Portland Hotel Society, a Vancouver-based not-for-profit agency serving people with serious mental illness and addictions. The British Columbia government has released an audit report that reveals how the management and staff of the agency spent thousands of dollars on lavish hotels, limousine rides, expensive dinners and trips. Government pressure has resulted in the resignations of the board of directors and senior managers.

We highlight this case not to suggest that

there are problems of the same magnitude in The Salvation Army. Fortunately, we have a strong policy regime that is based on the underlying principle of moderation so that many of the issues raised in the BC case would not happen in our organization. That's the good news.

The bad news is that these types of cases focus the public's attention on spending by other, similar organization, both charities and not-for-profits. Within an organization as large as the Army, with almost 11,000 staff across Canada, there are always going to be situations where our spending will come under scrutiny. Absolute and uncompromising adherence to the Army's policies is essential to protect us from the kind of embarrassment that other organizations have experienced.

The Territory's Staff Expense Policy (Operating Policy #3409) outlines the types of expenditures for which officers, employees and volunteers may be reimbursed and the limits on those reimbursements. Everyone should be thoroughly familiar with this policy. In particular, management staff at THQ,

DHQs and ministry units who authorize expenses must ensure that they are in full compliance with this policy when approving claims on behalf of others, as well as having a full understanding of the Expenditure & Payment Policy (Operating Policy #3410).

Do we have the same problems experienced by the Portland Hotel Society? No, but there is room for improvement: in internal audits conducted over the last four years, significant findings in a large number of ministry units include: expenses not adequately supported; no evidence of approval for expenditures; cash not adequately segregated or secured; and petty cash funds not adequately controlled or reconciled.

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