

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

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Money & Mission



Editorial

Happy New Year!

2014 will be a year of significant change for the finance department as we continue to focus on our 2013-15 strategic plan, with work in three key areas: understanding client needs, automation and improved financial management.

We will work to better understand our clients (at THQ, DHQs and ministry units) and their needs for financial information so that we can serve them better. We will build stronger relationships so that they come to see us as not simply number crunchers, but trusted advisors. We will develop solutions and processes aimed at reducing the time they spend on administration and maximizing the time they spend on activities that directly relate to our mission.

We will harness the power of new technology to improve and automate our processes, importing and filing data electronically and eliminating as much paper as possible. We will process transactions faster and reduce the impact on our environment.

We will work to improve performance in financial management across the organization. We will increase our accounting and financial reporting services and intentionally promote our services as consultants who can assist with a variety of financial and business issues. We will provide resources and training opportunities to help leaders across the organization improve their



Giving Hope Today

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DID YOU KNOW?

Canada's charities employ about 2 million people, which include 884,000 part-time employees.

QUOTES WORTH REPEATING

"Assessing a charity by its admin spend is like assessing a teacher on how much chalk they use, or assessing a doctor on how many drugs they prescribe. They're easy measures, but they don't relate to performance." --- Caroline Fiennes, author.

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: Money&Mission@can.salvationarmy.org.

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skills.

All of these goals are aimed at reducing the administrative burden across the organization while better meeting the Army's obligations for accountability and stewardship.

Accounting & Financial Reporting Focus

DEATH, TAXES AND BUDGETS

For many readers, significant time will be spent over the next few weeks on preparation of budgets. This article by Lt. Colonel Neil Watt will help place this work in its proper perspective.

It is said that there are only two things in life about which we can be certain: death and taxes! Perhaps there is a third: the dreaded budget! Let's be honest, most of us would gladly delegate this responsibility. If we must do it ourselves, we procrastinate as long as possible.

There are good reasons why we fear budgets. In the development of a budget, we discover our future and it may be one that we would rather not face. Perhaps it tells us that the vision we have for ministry is just not possible. Or it may mean that we are going to have to work harder, raise more funds, connect with more people or cancel certain programs altogether.

For the last 25 years, I have held appointments in THQ and DHQ administration, with budgeting being a large part of those roles. Here are some of the things I have learned about budgets.

1. Budgets are more important than we think.
2. Budgets are a necessity.
3. Budgets benchmark the health of any unit.
4. Budgets tell us the story of progress or decline.
5. Budgets that are consistently and regularly monitored can help us make timely and critical decisions.
6. Budgets either support the strategic plan or they don't.

I guess you could say I have been converted to the importance of a budgetary process for organizations like ours. If you were to ask me to comment on how a ministry unit is doing, the first document I would want to see is its budget and financial statements for the current and last three years. What I have come to realize is that the budget integrates the whole unit and acts as glue, holding all the pieces of ministry together in one document.

During the last two downturns in the world economy, budgets

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became strategic documents that guided our organization. I was gratified by the importance we placed on adherence to budgets in order to work through difficult decisions. I was also pleased that, although belt tightening took place, it paled in comparison to many other organizations that were drastically cutting staff and programs. That was my point of real conversion to the critical importance of the budget process: The Salvation Army ship had sailed through a storm and stayed afloat while many others did not!

In his devotional book, *Leadership Prayers*, Richard Kreigbaum devotes a chapter to the subject of budgets. He has figured out the importance of the process. He says: "the budget declares the operative values and priorities of the organization. It also declares our investment in future direction. The budget is a leadership plan and budgeting is a leadership process."

Some of us may think that, because we do "spiritual work" the budget has minimal importance. There is a 'God-will-sort-it-out' way of thinking. I suggest, however, that the budgeting process is a spiritual exercise. I resonate with a prayer Kreighbaum includes in his book: "The budget affects every person and every program, so getting it right is extremely important. Every budget line is someone's sincere request, wrapped in our mission and tied with their hopes. I love these people and pray for them. How I wish we could do it all for them...teach me how to do it better this time".

About 10 years ago, Paul Goodyear, Financial Secretary, wrote an article simply entitled, "The Budget". He concluded on a spiritual note that I think is worth repeating. Paul wrote "J. Hudson Taylor is quoted as saying that 'God's work, done in God's way, will never lack God's supply.' First, this reminds me the work we do is God's work. He is the author of the mission. He gives direction. Second, it reminds me I have to do God's work in His way. We want to be good stewards, recognizing our accountability. Third, it reminds me that if I have done my best to carry our God's work in his way, I can be assured of His blessing on my life and ministry."

To again quote Richard Kriegbaum, "The budget – mundane and arcane – is the ultimate leadership forum." We will be praying that this year the budget process takes on new meaning and becomes a living document, **"wrapped in our mission and tied with our hopes!"**

Please click [here](#) for back issues of *Money & Mission* or to see our index by topic.

For more information about the Finance Department please see visit <http://salvationist.ca/departments/finance/>.

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The voice of The Salvation Army

Special Feature

KEY DATES FOR JANUARY TO JUNE 2014

January 15	Final divisional statements of resources issued to DHQs.
January 17	Suggested date for ministry unit budgets to be submitted to DHQ (note: some divisions have selected an alternate date).
February 14	Deadline for all budgets to be submitted to the THQ finance department.
March 5	Presentation of budget proposals to the Territorial Finance Council.
April 7	THQ Loan & A/R statements provided to ministry units.
April 9	Preliminary deposit account statements issued to ministry units.
April 14	Calculation & communication of March Management Support Assessment amounts.
April 15	Final deposit account statements for fiscal 2014 issued to ministry units.
April 16	General Ledger closing for units with external audits.
April 25	Deadline for draft financial statements and notes for units with external audits.
April 28	External audits commence.
May 2	General Ledger closing for units without external audits.
May 16	Deadline to submit final draft financial statements to THQ.
May 21	Completion of external audits and approval of ministry unit financial statements.
May 23	Ministry unit audit adjustments posted.
June 9	Draft consolidated financial statements submitted to KPMG.
June 25	Consolidated financial statements approved by The Governing Council.

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