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Did You Know?

There are over 160,000 nonprofit organizations in Canada, about half of which are registered charities.

Editorial

WHAT DO YOU THINK?

“Have you ever stolen a pen from your employer?” The job applicant was stunned by the interview question. What do you think? Is that an appropriate question to ask?

On one level, it seems petty and insignificant. Who among us hasn't at some point or another inadvertently taken a pen or a pad of paper and used them personally? It happens all the time, doesn't it? Why would anyone be concerned with that?

On another level, however, it is a completely reasonable question to ask. For the answer reveals something about what we really believe (not just what we say we believe) about stewardship, accountability

and use of resources that are entrusted to us.

Is there a culture of entitlement in The Salvation Army? Is there a sense in which, for whatever reason, some Salvation Army staff members think that whatever we have corporately is available to us individually? Is it appropriate for thrift store staff to have first dibs on what comes in? Is it appropriate for staff to take home foodstuffs that are donated to family services centres? Are these just perks that go with the job? Or, do they represent an inappropriate use of resources that have been donated to help the needy?

So, I ask you, “Have you ever stolen a pen from your employer?”

Charity Corner

HAVE QUESTIONS? HERE'S WHERE YOU CAN FIND THE ANSWERS

The challenge of running a charity are significant, but none more so than complying with the legislative and regulatory rules that charities have to follow as custodians of public funds. Fortunately, there is an abundance of resources available.

The Canada Revenue Agency makes webinars available online as a means of providing education and training for charities. A list of previously recorded webinars is now available at <http://www.cra-arc.gc.ca/vdqliry/chrts-gvng/menu-eng.html#wbnrs>. Topics include: Completing the Registered Charity Information Return T3010-1; Non-Compliance Issues and How to Avoid; Gifting and Receipting; Financial Statements, Books and Records. The CRA is adding to this list regularly.

In addition to the CRA's resources, Imagine Canada's Charity Tax Tools site

(<http://charitytax.imaginecanada.ca/>) has a wealth of resources available under six headings: To Be a Charity or Not?; Activities; Gifts and Receipting; Record-keeping; Working with CRA; and Other Requirements.

Charity Village (<https://charityvillage.com>) is another great online site with a wide range of resources.

Anyone who assumes financial management responsibilities in a ministry unit should review the Territorial Finance Manual and Territorial Operating Policy Manual as a first step in their orientation and training. The second step should involve a review of relevant topics and issues on the three websites described above.

Special Feature

LEND A HAND!

Since 1971, the Canada Revenue Agency (CRA) has been collaborating with community organizations to have volunteers prepare income tax and benefit returns for eligible individuals who are not able to prepare their income tax and benefit returns by themselves, and who have low-income and simple tax solutions.

The CRA offers training and tax software for the volunteers as well as a network of CVITP coordinators to guide community organizations as they deliver the program.

The CRA would like to expand their local partnerships with The Salvation Army to host tax clinics in more communities across Canada. Last year, The Salvation Army held 64 tax clinics in Ontario, Alberta, British Columbia, Nova Scotia, New Brunswick and the Northwest Territories.

For more information about the CVITP, go to www.cra.gc.ca/volunteer or call 1-800-959-8281.

In The News

NEW T3010 RELEASED ---

The Canada Revenue Agency has released a revised charity information return (T3010) for use by charities for years ending on or after January 1, 2013. The new form incorporates changes announced in the 2012 federal budget with respect to providing greater information about political activities and funds received from foreign sources.

NEW REQUIREMENTS FOR CLERGY RESIDENCE DEDUCTION ---

The Canada Revenue Agency has, for the second year in a row, introduced new reporting requirements for individuals who are eligible to claim the clergy residence deduction. The revised form now requires individuals to be able to present an 'ordination certificate' and a description of how he/she was appointed to his/her role.

CHARITABLE STATUS OF UNIVERSAL COMMUNITY HELP REVOKED ---

On November 10, 2012, Universal Community Help had its charitable status revoked for failing to properly maintain its books and records. Among other things, the charity failed to keep duplicate copies of the donation receipts issued and had more revenue reported in its financial statements than bank deposits.

Policy Perspective

POLICY ON PENNIES

The Canadian government has announced plans to eliminate the penny. As of February 4, the Canadian Mint, which stopped producing pennies last spring, will cease the circulation of the coins to financial institutions and will encourage them to send back what they have on hand.

Most Canadian businesses will round cash transactions to the nearest five cents, but continue to charge to the exact penny transactions that are settled by debit, credit card or cheque.

Although there is no absolute 'rule' on how businesses should approach the rounding of cash transactions, it appears that most organizations will round bills to the nearest five cents.

| <u>Total ending in:</u> | <u>Round to:</u> |
|-------------------------|------------------|
| 1¢ | 0¢ |
| 2¢ | 0¢ |
| 3¢ | 5¢ |
| 4¢ | 5¢ |
| 5¢ | 5¢ |
| 6¢ | 5¢ |
| 7¢ | 5¢ |
| 8¢ | 10¢ |
| 9¢ | 10¢ |

This is the approach that we are recommending for use in The Salvation Army.



Giving Hope Today

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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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