

# Money & Mission



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## Did You Know?

The finance department processed over 196,000 accounts payable invoices, recorded 375,000 cash receipts transactions, issued over 11,000 tax slips (T4, T4A, etc.) and booked over 2 million general ledger transactions during fiscal 2012.

## Editorial

Happy New Year! The start of a new year is always a good time to both reflect on the past and plan for the future. The finance department is just wrapping up its triennial strategic planning process and its plans for the next three years. In an earlier issue, we reported that our four key areas of focus are:

**Automation:** *Seizing new technology to improve efficiency across the organization.*

**Staff Development:** *Engaging and equipping for mission.*

**Client needs:** *Seeking to better understand and respond to frontline needs.*

**Financial management:** *Achieving excellence in stewarding the Army's resources.*

In developing these areas of focus, we first reviewed our performance over the last three years. While much has been accomplished that we can celebrate, it did not

take us long to develop a list of things that we could do better or issues that require increased attention. Our scan of the environment in which we operate suggests that there are both challenges and opportunities which help to further focus our planning efforts.

Soon, we will be undertaking a survey of stakeholders throughout the territory to obtain your input concerning what we are doing and how well we are performing. This will be the first of a number of steps we will take to ensure that the finance department's services not only respond to our external obligations, but are designed to meet real needs in your sphere of activity. How can we serve you better? What are the issues you face that could benefit from some financial expertise? The answers to these sorts of questions will help ensure that the finance department continues to support the territory's mission of sharing the love of Jesus Christ, meeting human needs and being a transforming influence in our communities.

## Accounting & Financial Reporting Focus

Work is already underway on the March 31, 2013 year-end and preparation for external audits. For the first time, private, not-for-profit organizations such as The Salvation Army will report in accordance with the new standards framework in Canada, which comes into effect for fiscal years commencing on or after January 1, 2013. The new framework is comprised of Accounting Standards for Private Enterprises ("ASPE") contained in Part II of the CICA Handbook, supplemented by Accounting Standards for Not-for-Profit Organizations contained in Part III of the Handbook. Fortunately, most of these standards are the same as those under the old Handbook sections (now Part V), so our financial statements will require minimal change.

One key change, however, is with respect to pensions and post-retirement benefits. Up to the present, we have accounted for changes in the fair value of actuarial liabilities using a smoothing mechanism to reduce the volatility from year to year. Now, changes in the fair values of liabilities will be brought into the balance sheet and statement of operations immediately when they occur.

This change will affect the consolidated statements for the territory, but will affect only those few ministry units that maintain pension and post-retirement benefits for employees outside the territory's group registered retirement savings plan.. More information is available from the external auditors or the financial reporting group at THQ.

## Special Feature

### “TO DO” LIST FOR THE NEW YEAR

The start of a new year provides a great opportunity to review your personal financial affairs. Here are some suggestions for things you might want to think about:

- 1) Be sure to update your automobile log and submit your annual declaration (Form TX1) for income tax purposes, if you receive allowances for a vehicle or drive a vehicle leased by The Salvation Army, The payroll department needs this information by Monday, January 6, 2013 to ensure your T4 for 2012 is issued accurately. We cannot overstate the importance of maintaining an accurate log so that it is available should Canada Revenue Agency decide to audit your income tax return.
- 2) Review your retirement savings. You have until February 28 to make contributions that can be deducted for 2012 income tax purposes. Officers and employees who are members of the territory's group registered retirement savings plan can access their account online at [www.grsaccess.com](http://www.grsaccess.com). Intimidated by investments? Not to worry. There are lots of educational materials on the website and there's a toll-free number you can call to speak with a professional at Great West Life who can help you understand the key issues you should be addressing.
- 3) Do you know where your money goes? If not, now is a good time to track your expenditures in detail for a few weeks. It will help you to better understand how you are spending your money, and ensure that it is aligned with your hopes and expectations.
- 4) How are you giving back? Are you contributing to others? Now is also a good time to look at your charitable expenditures. Are you investing in others, or are you consuming all of your resources for yourself?

## In The News

### MORE CANADIANS DONATING TO CHARITY ---

According to an online poll conducted by BMO Harris, 79% of Canadians made a donation to charity in 2012, up from 68% in 2011. In addition, the average donation also increased to \$557, compared to \$487 a year earlier.

### NONPROFIT TRENDS TO WATCH FOR IN 2013 ---

Neil Edgington, author of the Social Velocity Blog, says that the five key trends to watch for in 2013 are:

- 1) More demand for outcomes;
- 2) Decreasing emphasis on overhead costs;
- 3) More advocacy for the nonprofit sector as a whole;
- 4) Savvier donors; and
- 5) Increased efforts to rate and compare nonprofit organizations.

The blog can be found at [www.socialvelocity.net](http://www.socialvelocity.net).



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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](mailto:Money&Mission@can.salvationarmy.org).

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### Editorial Team

**Managing Editor:**

*R. Paul Goodyear*

**Senior Editor:**

*Patricia Dunbar*

**Design Editor & Production Manager:**

*Angela Robertson*

**French Translator:**

*Serge Careau*

### Finance Department Offices

2 Overlea Blvd

Toronto, ON M4H 1P4

(416) 425.2111 ext. 2237

116 - 276 Midpark Way SE

Calgary AB T2X 1J6

(403) 201.9223

884 - 167 Lombard Ave

Winnipeg MB R3B 0T6

(204) 975.0735

1655 Richardson St

Montréal QC H3K 3J7

(514) 288.2848

101 - 85 Thorburn Rd

St. John's NL A1B 3M2

(709) 579.3919