

# Money & Mission



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## Did You Know?

According to CA magazine, 42% of Canadians lack basic financial literacy. If this is true of the population at large, it is probably also true of a large number of the Army's staff. This means that they may not be able to make responsible financial decisions as it relates to their financial planning for retirement. If you are a person who is financially literate, please consider helping your fellow officers and/or employees.

## Editorial

Do you suffer from Gratitude Deficit Disorder? A recent article in *Fast Company* suggests that most of us do. We're quick to complain when things don't go as we think they should, but slow to express gratitude when they do. Jesus once healed ten lepers, yet only one came back to say 'thank you'. Things haven't changed a lot in 2,000 years, have they?

Do the people who work with you know that you appreciate them? When was the last time you said

'thank you'? The work accomplished by The Salvation Army in this territory is due to the officers, employees and volunteers who, day in and out, get the job done with little acknowledgement or fanfare. So stop for a moment. Take a look around. You'll probably see one or more of them if you look hard enough.

Make a difference in the life of one of your co-workers or staff today. Say 'thank you' for a job well done.

## Accounting

### RESTRICTED CONTRIBUTIONS DEPARTMENT: Partners in Mission & Home Missions

This article provides a reminder about correctly using the **Restricted Contributions Department (#920**, one of four new departments created in April 2009 to track restricted funds, received and held at the ministry unit level.

Although the department is used for income from several types of restricted donations, the two most common are **partners in mission (PIM)** and **home missions (HM)**. Each has its own unique income account (613000 and 614000, respectively), together with a corresponding unique expense account to record payment of funds to THQ or DHQ (761301 and 761302, respectively). These accounts should close to the appropriate, dedicated PIM and HM fund balance accounts on your balance sheet.

It is critical that PIM and HM funds are correctly recorded to department 920, and not to one of your

other operating departments, such as the senior corps (#200). Here is why:

- It ensures that we maintain a correct running total of available funds at all times.
- It ensures the funds raised and collected will make their way to THQ or DHQ for their intended use, thereby fulfilling donors' wishes
- It facilitates accurate reporting on your T3010 Charitable Return, as PIM and HM funds sent to THQ must be reported as gifts to a qualified donee.
- It excludes the funds from the monthly calculation and withdrawal of MSA charges, since they are simply flowing through your ministry unit to THQ or DHQ using department 920.

If you have any questions or require further information, please contact the finance department.

# Operating as a Charity

## 2012/13 BUDGET HIGHLIGHTS

On March 7, 2012, the Territorial Finance Council approved the territory's budgets for 2012/13. Here are some of its highlights:

- The THQ General Fund budget is balanced for the third year in a row, after a decade of deficits. We are expecting a budget surplus of over \$1 million which will help rebuild reserves that were depleted during the deficit years. In addition, the budget provides \$3 million for new initiatives and projects that will benefit the territory in the year ahead.
- The General and World Services Funds budgets provide almost \$9 million in funding for the work of the Army overseas, including a \$1.5 million contribution to the international pension fund for retired officers in grant-aided territories.
- Divisions will provide operating grants of \$41.3 million to ministry units, representing 9.6% of their funding on average.
- Grants for building projects have increased to \$7.2 million, up from \$3.2 million in the current year.
- All but one division have achieved the target reserve level (i.e. unrestricted funds equal to three months' operating expenses).
- 60% of all ministry units have achieved the target reserve level, compared to 48% last year.
- 73% of the corps in the territory are self-supporting (i.e. they do not receive any funds from DHQ, other than amounts that are restricted for community and social services activities).
- The number of ministry units projecting deficits has been reduced by 30% to 81, but the average projected deficit has increased by 20% to \$59,000.

## In the News

**NEW WEB SITE FOR CHARITIES ---** Imagine Canada has announced a new web site with information on charities in Canada. The site will provide access to a charity's T3010 information return filed with the Canada Revenue Agency, and will also allow charities to post supplementary information, including financial statements and commentary that will be of interest to donors and others. The finance department at THQ is working with Imagine Canada to provide consolidated information for The Salvation Army as a whole. We will provide more information as it becomes available.

## Financial Management

### STAFF EXPENSE POLICY

In January, THQ issued an omnibus staff expense policy (Operating Policy 3409) that will have a significant impact on financial management in the territory in the days to come. In this issue, we highlight the rationale for the policy.

In our last issue, we introduced the new staff expense policy (Operating Policy 3409), which was released in January, 2012. The policy creates a one-stop reference point for officers and employees, outlining the rules governing submission of expenses for refund from The Salvation Army. For the first time, it articulates policy on a number of expense items which were being treated inconsistently across the territory.

Although the policy was widely circulated for comment prior to its final approval, we are receiving many questions for clarification and interpretation. Our plan is to offer clarification on a case by case basis, as well as in future issues of Money & Mission throughout 2012. We will use your feedback this year to determine whether revisions to the policy are needed in 2013. As a result, if you encounter a situation on which the policy is silent or unclear, please write to us at [Money&Mission@can.salvationarmy.org](mailto:Money&Mission@can.salvationarmy.org) so that we can include it in the 2013 revision.



Giving Hope Today

### Money & Mission

A publication of the Finance Department,  
The Salvation Army Canada & Bermuda  
Issue 11, Volume II,  
March 14, 2012

### 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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