

Money & Mission

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Editorial

Welcome to Volume II of Money & Mission. We were overwhelmed by the positive feedback from many of you to Volume 1. You told us that you liked our succinct approach; keeping articles short and focused on key issues, yet providing other sources for those who needed more. Volume II will continue this style. This year's list of topics is already shaping up to provide you an interesting and stimulating read. We still have some empty spots, however, so please send us a note if there is a

subject you'd like us to include.

The territory's first ever consolidated financial statements are now on the web at www.salvationarmy.ca. Consolidation is a major accomplishment. Every individual who plays any part in accounting and financial reporting whether at THQ, DHQ or a ministry unit, deserves credit for his/her contribution. To all of you, thank you!

Did You Know?

The Salvation Army in Canada and Bermuda is a large organization by any standards, corporate or not-for-profit. Our consolidated financial statements for fiscal 2011 report total organizational assets of over \$1.4 billion and annual revenue in excess of \$600 million.

Operating As A Charity

The Salvation Army in Canada operates as a registered charitable organization. Territorial headquarters is registered as the main branch or division of the charity. All other entities with charitable status are registered as associated charities. The Governing Council of The Salvation Army in Canada is the principal corporation through which the Canada & Bermuda Territory operates. Every other Salvation Army corporation in the territory is controlled by the Governing Council. The great advantage of the Army's charitable and corporate structures is that they reduce costs and simplify administration of mission activities. Unfortunately, they also result in risk. Here is why.

Because almost all Salvation Army entities are related to one another through the corporate and charitable structures, no one Salvation Army ministry unit is truly independent in anything it does. This means that actions taken by one ministry unit have the potential to impact the rest of the Army. The Army's operating philosophy is for the local

operating unit to drive the mission, so that people closest to the front lines make significant decisions on behalf of the Army in a local community. At the same time, local personnel must be mindful that any initiative that creates a legal obligation or risk for the ministry unit has the potential to affect the Army as a whole.

Ministry units should always seek advice from DHQ and THQ any time they are required to sign an agreement or contract that creates obligations for their ministry unit, other than basically agreeing to pay a bill (such as when signing a contract to purchase office equipment). Otherwise, you may be creating obligations for The Salvation Army as a whole, without being aware of it. So, before putting your signature on any legal document on behalf of the Army, take a moment to check with DHQ or THQ. Scan and e-mail the document to the legal department at THQ for a quick review. This will not take very long, but will potentially save you and the organization a significant problem later on.

Year-End Audit 2012 – Key Dates

We have already started planning for the March 2012 year-end audit. Shortly after completing the March 2011 statements, we met with staff from KPMG to conduct a post-mortem of the year end audit and to identify improvements for 2012. We have now established key dates which are listed in the table below. Watch for more information on the 2012 year end in upcoming issues of Money & Mission.

Task	Deadline
General Ledger close	18-Apr-12
DHQ & ministry unit audits commence	30-Apr-12
THQ audit commences	7-May-12
All external audits completed	25-May-12
All audit adjustments posted	29-May-12
Part I - Eliminating entries and draft notes to KPMG	28-May-12
Part II - Eliminating entries and consolidated financial statements to KPMG	11-Jun-12
All notes to consolidated financial statements finalized	18-Jun-12
Closing meeting with KPMG	22-Jun-12
Annual meeting of the Territorial Finance Council and Governing Council	28-Jun-12



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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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Treasury Merchant Program

Summer was a busy time for the Treasury group as we arranged for the Army to move its merchant program from Global Payments to Moneris Solutions. (For those of you not familiar with the term, the merchant program refers to the leasing of Point of Sale (POS) terminals at over 300 Army locations and processing of debit and credit cards on these terminals.)

Moneris was one of three suppliers who submitted proposals for the Army's merchant business earlier this year. Moneris was awarded the business as we felt that it offered the best combination of service and price. In fact, most ministry units will be paying lower transaction and terminal rental fees.

Moneris is the largest supplier of merchant services in Canada and prides itself on its excellent service. It was, therefore, disappointing that the move did not go as smoothly as we had planned. As some of you will have discovered, Moneris has made mistakes in setting up our locations on its system. This has led to incorrect billing and other issues for a number of ministries. Needless to say, we are working closely with Moneris to resolve errors as soon as possible.

To compensate the Army, Moneris has offered us two additional months of free terminal rental. Since we had already negotiated three months of free rental, ministries should not see any charges for terminal rental until February 2012.

Moneris has assured us that it is most unusual for it to fall short of customer expectations and that we can rely on quality service going forward. While it was not the best start to a new relationship, we are confident that Moneris will live up to its promise.

If you are using a POS terminal, we urge you to check your Moneris statement to ensure it is correct. Please contact thq_treasury@can.salvationarmy.org to obtain prices and an explanation of the statement. If you do find any errors, please advise thq treasury as soon as possible.