

# Money & Mission



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## Did You Know?

You can access your account in the Army's group registered retirement savings plan on the internet at

[https://ssl.grsaccess.com/information/english/loqon/english\\_login.aspx](https://ssl.grsaccess.com/information/english/loqon/english_login.aspx)

Take your retirement planning seriously. Login today and review the options available to you.

## Editorial

We made a mistake and we are sorry! The distribution of pay advices for the period ending October 5, 2012 was impacted by a significant system breakdown that resulted in many individuals receiving someone else's pay stub. A routine process is performed at the conclusion of each pay cycle to segregate those pay advices that are emailed directly to staff from those that are distributed in bulk to ministry units for printing and distribution. This process has performed flawlessly for several years and we are unable to determine precisely why it failed this time. Unfortunately, because the process had worked smoothly for so long, we assumed it would continue to do so. We did not have controls in place to verify the accuracy of the data prior to issuance.

We take the security and privacy of personal information very seriously, and the breach of confidentiality that occurred as a result of this error is most distressing for us. In collaboration with the Information Technology department, we are completely revising our processes to mitigate the possibility of this ever happening again. We have also implemented more rigorous controls so that, should a problem occur, it can be discovered prior to release of pay advices.

If you were one of the officers or employees affected by this problem, we can only offer our sincere apologies and assure you that we have taken steps so that it will not happen again.

## Policy Perspective

The Territorial Finance Council (TFC) has finalized the territory's fiscal strategy for 2013/14. The finance department issued a report on Friday, October 5, 2012 which will be supplemented shortly by detailed budget guidelines.

After analyzing the Army's present financial position, the outlook for the world economy, capital markets, inflation, and fundraising in the next months, the TFC has approved a strategy that is focused on moderate growth and building reserves.

As of June 30, 2012, almost all THQ and DHQ entities have sufficient reserves on hand to comply with territorial policy which calls for a three month operating reserve. 240 ministry units have also achieved this target. Another 150 units have started to build reserves but have yet to reach the three-month level. The remaining 75 units have zero or negative reserves (which occur when liabilities and

restricted reserves are equal to or greater than total assets).

We recognize that some units will have difficulty meeting the territorial target due to restrictions in their funding agreements. In these cases, the finance department will work with divisional headquarters and the units concerned to develop alternate solutions that will still allow territorial policy to be met.

The territory's present financial position and outlook give us cause for celebration and hope. Although some of our operations face financial challenges, overall the Army in the Canada and Bermuda territory is in reasonably good financial shape. The fiscal strategy approved by the TFC allows for moderate budgetary growth while, at the same time, coming to terms with entities that are financially disadvantaged or challenged in some respect.

# Accounting & Financial Reporting Focus

## PROPERTY MAINTENANCE AND CAPITAL DEPOSIT ACCOUNTS MERGED

Effective October 1, property maintenance accounts (PMA's) have been closed, with balances transferred to capital deposit accounts (CDA's) held at THQ. Merging these two reserves provides a number of benefits, including:

- A simplified budget process for property buildings, as there will be one pool of funds for property related projects
- A simplified accounting process with one pooled fund, which resides at one location.
- A slightly higher return on investments for ministry units, as CDA's earn a higher interest rate.

The merger brings a number of process changes as follows:

1. We will automatically withdraw monthly contributions from ministry units' bank accounts near the middle of the month. DHQ's will initiate any changes to the monthly withdrawal.
2. Ministry units are now responsible for paying directly property and liability insurance bills as well as property taxes.
3. We will automatically withdraw insurance charges billed by THQ from ministry units' bank accounts.
4. Ministry units must pay directly expenditures that are to be funded from a capital deposit account. It is not acceptable to submit invoices directly to THQ for payment. Withdrawals from a CDA can be made upon request and approval by DHQ's. If expenses are expected to be significant, we recommend that you withdraw funds in advance.

It is still very important to plan and build a reserve for major repairs or capital improvements Ministry units should consult with their divisions to develop long range financial plans to ensure financial stability and well maintained properties.

*TIP: How to record the closing of the PMA.* The transfer of the PMA to the CDA will be recorded as follows:

Debit	Capital deposit account (000/117000)
Credit	Property maintenance account (000/118000)
Debit	Inter-departmental transfer (910/511100)
Credit	Inter-departmental transfer (900/511100)

## Special Feature

### NEW TRAVEL AND EXPENSE REPORTING SYSTEM TO BE IMPLEMENTED

The finance department will soon be introducing a new system for submitting travel and other reimbursable expense for staff at THQ, DHQs and ministry units that have their accounting performed by the finance department. This system will significantly improve the timeliness and accuracy of personal expense processing. Key features of the new system are as follows:

- The system will be web based and can be accessed from any internet connection.
- Travel and personal re-imbusement requests are entered on-line.
- Supporting receipts are scanned and attached to the claim.
- Completed claims are forwarded electronically to authorized personnel for approval after which they are sent electronically to the finance department for upload and payment.
- The system will also be able to process the US Bank corporate credit cards and will accept an electronic feed of all credit card transactions.

The system offers several significant benefits including:

1. Faster processing of payments.
2. Automatic HST/GST rebate calculations.
3. Greater accountability as staff in ministry units will no longer be required to 'approve' expenses for the corps officer or executive director. These will be submitted to DHQ personnel for approval, without impeding the processing time.
4. Improved access to travel information that could lead to preferred vendor discounts.
5. Reduced cost of processing.

During this fall and early winter, we will be implementing the system on a phased basis, starting at THQ and then rolling out to DHQ's and ministry unit clients of the finance department. Watch for more details on implementation and training.



### Money & Mission

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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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