

A publication of the Finance Department, The Salvation Army Canada & Bermuda Territory.

[View this email in your browser](#)

Money & Mission



Editorial

On January 15, 2014, Lt. Colonel Douglas Kerr, CA, was promoted to glory. The colonel was the territorial financial secretary from 1987-1994, and had earlier spent 19 years in the department in a variety of roles.

I joined the finance department in 1987, just a few months before the colonel's appointment as financial secretary and I had the opportunity to work closely with him



Giving Hope Today

Volume IV,
Issue 10
February 19, 2014

DID YOU KNOW?

\$27 million was contributed to corps across the territory through weekly envelopes from Salvationists in the year ended March 2013. This works out to just over \$9.00 per week on average for each soldier and adherent.

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.

Subscription:

To subscribe, send us an e-mail with the subject line "Subscribe".

To unsubscribe, send us an e-mail with the subject line "Unsubscribe". We'll be sorry to

during his seven years in office.

Much was accomplished under his stewardship. We reorganized the accounting group, set educational standards for staff, introduced computerized accounting for corps (the Shelby system), implemented a new financial system at THQ, revised the way in which the Territorial Finance Council worked, and conducted the first-ever comprehensive review of the territory's financial model. These initiatives laid the foundation for what could be considered revolutionary change in how the finance department operates today, compared to 1987.

The colonel would have been the first to admit that he was not a revolutionary himself. His strength lay in his ability to create an environment in which others were empowered to orchestrate the changes that were needed. His role was to support and encourage, to provide advice and wise counsel when needed, and to maintain a steady hand at the helm even when the storms threatened to overcome us. He gave confidence to both the proponents and

see you go, but we'll promptly take you off our mailing list. Send your request to:
Money&Mission@can.salvationarmy.org.

Editorial Team

Managing Editor:

R. Paul Goodyear

Senior Editor:

Patricia Dunbar

Design Editor & Production

Manager:

Angela Robertson

French Translator:

*The Salvation Army
Translation Department*

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

101 - 85 Thorburn Rd
St. John's NL A1B 3M2
(709) 579.3919

Please click [here](#) for back issues of *Money & Mission* or to see our index by topic.

For more information about the Finance Department please see visit <http://salvationist.ca/departments/finance/>.

Salvationist.ca
The voice of The Salvation Army



Giving
Hope
Today

opponents of the organizational changes that we had embarked upon.

He did not possess great charisma. He was a quiet, reserved man. He did not waste words. He was the epitome of one who leads by example rather than by commands. He modelled high personal integrity. He was exceedingly gracious to everyone he met. I don't recall hearing him ever raise his voice; he was a diplomat, always tactful and polite. He was meticulous about his work.

I cannot say enough about Doug Kerr and his legacy. I am a better person today because of the opportunity I had to work for and with him and for that, I am grateful personally.

From my vantage point as one of his successors in office, I owe him a debt of gratitude for the example he set about leadership.

The finance department salutes Lt. Colonel Doug Kerr, and we join in a prayer to God that his family will find comfort in knowing that he lived for God and served Him well.

Accounting & Financial Reporting Focus

The Accounting Standards Board is now considering the way forward for accounting standards for not-for-profit organizations in Canada. In April 2013, the Board issued a joint Statement of Principles with the Public Sector Accounting Board, which sets accounting standards for government organizations with respect to how existing standards for not-for-profit organizations could be improved. When they were developed in the mid- 1990s, many of the current standards represented compromises, designed to gain acceptance among stakeholders. For some time it has been widely recognized that the number of options inherent in the standards would have to be reduced to ensure that financial reporting by not-for-profit organizations follows common standards and allows for greater comparability.

The Statement of Principles proposed major changes in not-for-profit accounting, including: elimination of the existing size threshold and requiring all organizations to

report and amortize capital assets; requiring consolidation of all controlled entities, except when there is a large numbers of individually immaterial entities; and eliminating the choice of the restricted fund or deferral methods of reporting and moving to a single method, yet to be outlined.

Both boards are now reviewing the 290 comment letters received from interested individuals and organizations.

Based on the finance department's review of the comment letters, it appears that there is fairly strong opposition to some of the changes proposed. As a result, it is likely to be some time before the boards complete their discussions and determine a go-forward strategy.

The finance department will continue to monitor this issue and keep you informed of developments.

Charity Corner

GIFT IN KIND DONATIONS

Determining when it is appropriate to issue a gift in kind tax receipt continues to be confusing for many. Yet, as a charitable organization, it is critical that we adhere to the CRA's guidelines for issuing charitable tax receipts. This article sheds some light on gift in kind receipting.

There are several steps to follow when examining a gift in kind donation. The first, and most important, is to determine whether it meets the CRA's criteria for a gift in kind donation. According to the CRA, a gift in kind is defined as a gift of property other than cash, such as capital property or personal property. A donation of services such as time or expertise does not qualify as a gift in kind donation and is not eligible for a charitable tax receipt.

If a donation constitutes a gift in kind donation, the next step is to ensure the gift is valued appropriately. The goods must be valued at fair market value, which is the price the goods would receive in an open market. Items valued over \$1,000 must be valued by an independent appraiser who is not associated with the charity or the donor.

Items under \$1,000 can be valued by a knowledgeable staff member.

When issuing an official tax receipt, we recommend that you use the cheque exchange method. This requires the ministry unit to pay fair market value for the goods received and the donor, in turn, to donate the funds back to the ministry unit as a cash donation. A tax receipt can then be issued for the cash amount. Make sure that you retain appropriate documentation to support the fair market value of the donation.

If you issue a gift in kind donation receipt, record the value of the gift in your ministry unit's financial statements as gift in kind income, with an offsetting entry to the associated expense line.

In conjunction with National Recycling Operations (NRO), the finance department is developing very specific guidelines on receipting gift in kind donations. Watch for more on this in future issues of Money & Mission. In the meantime, for additional information, please refer to Operating Policy 4602 or section 103 of the Territorial Finance

Manual.

Special Feature

DESIGNATED CLIENT SERVICE REPRESENTATIVES

The finance department's new Designated Client Service Representatives ("DCSR") program is now being implemented. Under the program, every Salvation Army entity in the territory (ministry unit, divisional headquarters or territorial headquarters' department) has a member of the finance department's staff assigned as its designated client service representative.

The program is not intended to replace the relationship with DHQ staff, nor other finance department staff who communicate with the entity on specific issues. Rather, the purpose of the program is two-fold.

First, it provides units with a contact when they are not sure who to contact with a question, or have a concern about a service delivery. The DCSR will direct clients to the

appropriate person at DHQ or THQ, and ensure they get the information they need or that a service delivery issue is addressed by the appropriate manager in the finance department.

Second, it provides the finance department with an opportunity to check in periodically with personnel across the territory and get direct feedback on how satisfied they are with our services. This sort of feedback helps ensure that what we do is responsive to client needs.

DCSRs do not have the ability to authorize transactions on behalf of their client ministry units; that authority rests with divisional headquarters. DCSRs will provide information and then direct clients to DHQ for authorization.

The program is still in the process of being implemented, but, so far, our contact with ministry units has been very positive, with most expressing appreciation for this new service.

Copyright © 2014 The Salvation Army, All rights reserved.
You are receiving this email because you subscribed to our mailing list.

Our mailing address is:

The Salvation Army
2 Overlea Blvd
Toronto, On M4H 1P4
Canada

[Add us to your address book](#)

[unsubscribe from this list](#) [update subscription preferences](#)

