

# Money & Mission



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## Did You Know?

Addictions, corrections and residential programs accounted for 40% of the Army's spend on programs and services in fiscal 2011, while health care programs represented 28%.

## Editorial

As this issue is being prepared, staff members in the finance department are in the midst of annual performance evaluations. Although we try to provide timely feedback throughout the year, the annual performance evaluation provides a more formal opportunity to consider what has been accomplished in the year gone by and to set goals and objectives for the year ahead.

Since we are in that mode, we'd love to hear from you. With this issue, we are halfway through our second year of publication. Please take a moment to drop us a line to tell us how we are doing. Is this publication meeting a need? What can we do to improve? Are there particular issues or topics you'd like to see us cover in the next few months? Any and all feedback would be appreciated!

## Operating As A Charity

With the tax season almost upon us, here is an important reminders about the items that must be included in official receipts issued to donors for income tax purposes:

1. a statement that it is an official receipt for income tax purposes
2. name and address of the charity as it is filed with the Canada Revenue Agency
3. charity's registration number
4. serial number of the receipt
5. place or locality where the receipt was issued
6. day or year donation was received
7. day on which the receipt was issued, if it differs from the day of donation
8. full name, including middle initial, and address of the donor
9. amount of the gift
10. signature of an individual authorized by the charity to acknowledge donations
11. name and Web site address of the Canada Revenue Agency - [www.cra.gc.ca/charities](http://www.cra.gc.ca/charities)
12. day on which the donation was received (if not already indicated)
13. a brief description of the property transferred to the charity and
14. name and address of the appraiser (if property was appraised).

For non-cash gifts (gifts in kind), in addition to the above, remember to include:

If the value of a gift in kind is \$1,000 or more, it always requires an independent appraisal, signed by an objective third party who is qualified to appraise the item's value. A gift in kind also requires an independent appraisal if there is no one on the charity's staff qualified to value it appropriately, even if the value is below \$1,000.

For more information, please refer to Operating Policy 4602 and section 103 of the Territorial Finance Manual.

# Accounting

## CHART OF ACCOUNT TIPS

As we deal with increasingly complex reporting requirements (e.g. T3010 Charitable Returns, territorial consolidation), it is more important than ever that we follow the Territorial Master Chart of Accounts. The table below provides guidance on the correct use of accounts where mistakes are often made.

Account	DO's	DON'T's
#721800 – S.A Publication Purchases	Use for purchases of SA publications	Do <b>not</b> use accounts such as #721300 - Books, Literature & Software, #721700 - Office Supplies, Printing & Stationary or other program related accounts in the 73XXXX range.
#721200 – Association & Membership Fees.	Use this for association & membership fees only	Do <b>not</b> charge related travel and meal expenses, including Rotary. Use #722800 for these
#722800 – Travel & Meals	Use for <u>all</u> business travel and/or meals expenses for staff, officers & volunteers (e.g. airfare, hotels, taxis, parking, mileage refunds, meals, etc.)	
#722400 – Conventions, Seminars & Retreats.	Use this only for the cost of registration and direct materials (e.g. books)	Do <b>not</b> use for any other costs e.g. costs to travel to a conference are to be charged to #722800
#741200 – Equipment Rental/Lease.	Use for office equipment leases or rentals (e.g. photocopiers, postage machines, telephone systems, etc.)	Do <b>not</b> use for metered photocopier copy charges and computer supplies (e.g. toner cartridges). Use #721700 instead.
#721700 – Office Supplies, Printing & Stationary.	Use for consumable office equipment operating expenses (e.g. toner cartridges, paper, metered photocopier copy charges, ink, etc.	Do <b>not</b> use for costs of leasing office equipment. Use #741200 for these.

# Financial Reporting

## TERRITORIAL CONSOLIDATION: ANOTHER YEAR

After many years of preparation and hard work by everyone in the Territory, fiscal 2011 saw the publication of consolidated financial statements for the first time in our history. Everyone who participated should be proud of this great accomplishment. With another year end fast approaching, we thought it timely to reflect on our accomplishments last year and also areas where improvements would make the consolidation process more efficient.

### Accomplishments

- We met our timetable for issuing consolidated financial statements
- Ministry units have fully implemented the standard territorial chart of accounts.
- Ministry units are responsive to reviews and recommendations from the consolidation team.
- We are reconciling deposit accounts effectively.

### Improvement Opportunities

- Here are important reminders on areas where we would benefit from improvement.
- Make sure that you record related party transactions to the correct accounts; otherwise it is difficult to reconcile Intercompany transactions.
  - If you are with an audited entity, ensure that you record audit entries and reconcile your audited financial statements to Shelby This is extremely important, as discrepancies cause issues in the current year and in future years since fund balances will continue to be different.
  - Ministry units performing their own accounting must be fully prepared for the year-end audit. Prior to the auditors' arrival, you must complete account reconciliations, the year-end close checklist and financial statements, including notes. During the audit, all key staff must be available to answer questions so please avoid vacations
  - Do not post to your ledger after the published cut-off date
  - Do not post directly to fund balances as this causes variances in opening fund balances.

By now all ministry units performing their own accounting should have received a year end preparation package. Following this will make the consolidation process more efficient. If you did not receive the package please email [THQ\\_Consolidation@can.salvationarmy.org](mailto:THQ_Consolidation@can.salvationarmy.org) to receive a copy right away. Client of the Finance departments regional offices will be contacted directly by their office on what is required to make year-end successful.

If we maintain our accomplishments and make a few improvements, consolidation for March 31, 2012 should be a pleasant experience for everyone. Thanks for all your hard work!



Giving Hope Today

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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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