

# Money & Mission



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## Did You Know?

The Governing Council of The Salvation Army in Canada, the legal corporate entity under which our work falls, was established in 1909 by a federal act of parliament. As such, it is one of the oldest corporations in the country.

## Editorial

Charities are under the microscope these days. Just about every other day, it seems that there's another piece in the mainstream media about how charities are spending their donated dollars. Such articles are not always complimentary to charities. The Army has nothing to fear from public scrutiny and can be justifiably proud of its record. In 1996, the territory adopted the principle that public funds should be used for demonstrable community and

social services work, and not to sustain congregations. As a result, the Army can clearly point to the projects and services supported by its public donations. However, we cannot afford to rest on our laurels. We must always be vigilant in our spending. The Army's reputation is in our hands.

## Preparing for Year-End

As this issue is being published, we are approaching the end of the third quarter of the fiscal year. This means that year-end is only three months away. Now is a good time to start the activities that will lead to a successful year-end close. Here is a list of some of the things that should be on your planning list.

- Review the general ledger in detail, noting any errors so that they can be corrected prior to year-end.
- Ensure all bank reconciliations are up to date, write off any stale dated cheques, and record any permanent adjustments.
- Ensure your accounts payable and receivable sub-ledgers are balanced to the control accounts.
- Confirm any petty cash or advance amounts to ensure that they are correct, and make an effort to collect any amounts that are due.
- Review any suspense or clearing accounts with the goal of clearing them by year-end. If any amounts remain receivable or payable at year-end, make an entry to move them to an appropriate account so that they are reflected correctly on your financial statements.

- Review prepaid expense accounts to ensure that only amounts meeting the definition of an asset appear in the balance (see Money & Mission, issue 2, October 27, 2010, for more information on assets).
- Ensure that your depreciation or amortization entries are up to date for any furniture or equipment that has been capitalized. While you're at it, review your expenses to ensure that any items valued at \$5,000 or more acquired during the year have been capitalized, rather than expensed.
- Review deferred revenue and contributions accounts to ensure that appropriate amounts have been recognized as income in the current year.

Taking these steps now will reduce the amount of work you have to do later and will make your year-end closing more efficient.

# Education Benefits & Income Tax

Do you provide education and training for your staff? Did you know that some of these benefits may be taxable?

## Scholarships and bursaries

If you provide an employee, or former employee, with a scholarship or bursary on the condition that he or she returns to your employ upon completion of the course, the amount is considered employment income. You must report on a T4 slip any scholarships, fellowships or bursaries you gave to an employee, even if your employee can exclude the amount from income on his or her income tax and benefit return. If your employee asks any questions about this income, you can refer him or her to the Canada Revenue Agency publication, *Scholarships, fellowships, bursaries, study grants, and artists' project grants*, or to the *General Income Tax and Benefit Guide*.

## Specific employment-related training

Courses taken to maintain or upgrade employment related skills are considered to be mainly for the employer's benefit when it is reasonable to assume that the employee will resume his or her employment for a reasonable period of time after completing the course. In these instances, the course payments are not a taxable benefit. An example would be tuition fees and associated costs for books, meals, travel, and accommodation paid for courses leading to a degree, diploma, or certificate in a field related to the employee's current or future responsibilities in your business.

## General employment-related training

Other business-related courses are also considered to be taken mainly for the employer's benefit. For example, fees paid for stress management, employment equity, first aid, and language courses are not a taxable benefit.

## Personal-interest training

Courses for personal interest or technical skills not related to your business are taken mainly for the employee's benefit and, therefore, are a taxable benefit.



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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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## Who's Who

SAMANTHA MOSS is director of financial accounting at territorial headquarters. She joined the finance department as a financial analyst in 2005, after obtaining a post graduate diploma in accounting from Wilfred Laurier University. Samantha also holds a Bachelor of Commerce degree from the University of Guelph. During her time with the Army, Samantha has served as assistant director in the territorial headquarters accounting group and as director of the Ontario regional accounting group. She assumed her present assignment in 2009. Along the way, Samantha earned her certified management accountant designation, and obtained her "Mrs." designation earlier this year. She and her husband live in Whitby, Ontario.



Samantha Moss  
Director of Financial Accounting

## Year-End Contribution Receipts Using Shelby

With the New Year fast approaching, it will soon be time for you to issue annual receipts for local contributions processed through Shelby's contribution module. Here are some important reminders about the process which, you will be pleased to hear, is unchanged from prior years.

- Print receipts from the contribution module using the Reports/Statements option. Do this in early January, after you have recorded all contributions for the prior year.
- Use "SA Laser Receipt" as the format for your receipts.
- Issue receipts for contributions received and deposited

between January 01, 2010 and December 31, 2010.

- Ensure that the date on your contribution statements is December 31, 2010.
- Review your statement before final printing. You can do this in several ways: through a test run of 10 (by ticking the option box), by print all statements to plain paper or by saving them as a PDF document.
- Correct any errors by posting adjusting contributions.
- Print your final receipts on standard pre-numbered receipt forms, arrange for their signature, and then distribute two copies to each donor. Make sure that you retain one copy

for your records.

- Consider including a separate letter of thanks with the receipts to show your appreciation.
- If you discover errors on final receipts, you must mark the original as "Void". Ensure that replacement receipts carry the notation "Replacement Receipt for Receipt #####".

Please refer to Section 011403 of the Territorial Finance Manual for further details. And remember, there are no special calendar year-end procedures in Shelby. Simply follow your normal monthly processes.