

Money & Mission



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Did You Know?

75% of the territory's ministry units now have their accounting performed by one of the finance department's regional accounting groups. This model is working extremely effectively, allowing for better financial reporting at the ministry unit level than the territory has ever had before. Despite this, some unit leaders perceive that they have to perform their own accounting to maintain "control" over their finances. We think they are wrong. Being a client of the finance department does not mean losing control over your finances. 75% of ministry units appear to agree with us.

Editorial

Have you started your year-end closing? The finance department is already finalizing entries for fiscal 2012, so that we are ready for the external audit and publishing financial statements, both for ministry units and the territory.

While the nature of our work means that we are fairly busy throughout the year, the months of April and May are particularly busy. Because of the extra work at year end, most accounting staff in the department has to put in a significant amount of overtime. On evenings and weekends, you will rarely find the lights out in our offices during this time of the year.

Accounting

MONTH END CLOSING: NEW REQUIREMENT FOR MINISTRY UNITS

Did you know that, effective April 2012, ministry units must close their books each month by the 15th of the following month?

We have never before established a defined date for closing the general ledger (GL) each month; instead, we set deadlines for sending monthly remittances to headquarters. With increased usage of automatic bank withdrawals, this time frame has become less relevant. We are also finding that ministry units' financial information is being used more frequently for management reporting and analysis.

Without a fixed month end closing date, we have no assurance that data is current. Setting a firm date allows us to draw appropriate conclusions and facilitates the strategic planning process.

Ministry units who are clients of one of the finance department's regional offices already have clear month end deadlines. Ministry units performing their own accounting must now complete all GL postings for the month by the 15th of the following month. We chose this date to allow ministry units to post adjustments to intercompany accounts in the month they occur (i.e. deposit account transactions and interest, THQ/DHQ

Last year we issued consolidated financial statements for the entire territory in the same time that it used to take to produce statements for THQ and DHQ entities only. A significant accomplishment indeed!

As we head into this busy season, I want to express my thanks to a great staff who, every day, put forth an incredible effort to allow the Army to hold its head high from a public accountability and transparency perspective.

invoices, outstanding loan balances). Reports for these accounts will be sent out before the 15th of the following month.

Starting this fiscal year, the Shelby system will lock the previous month on the 15th of the month. It is, therefore, very important to post all transactions by this date. Once it is closed, the month cannot be re-opened. Any transactions relating to closed months (adjustments, errors, new information etc.) will need to be posted to the current month.

While this will represent a change for some units, it is standard accounting practice to close and lock accounting periods. This not only helps reporting at the territorial level, but will help local management to plan strategically with accurate and timely financial information.

We recommend that ministry unit leaders meet with local finance staff and volunteers to set up procedures to meet the new deadline. Please note that the March closing date will be different as we prepare for the year end external audit. We will communicate the March deadlines with the annual year end audit preparation guide.

Thank you for your continued support and your action in establishing good accounting practices.

Operating As A Charity

IMAGINE CANADA: RESOURCES FOR CHARITIES

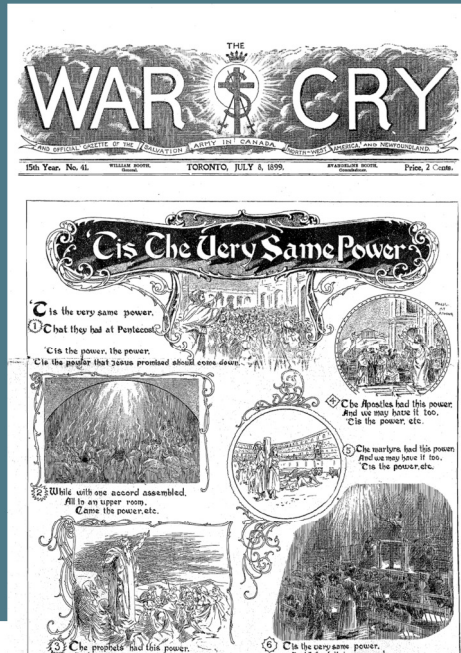
Imagine Canada's new website, "Charity Tax Tools", provides many resources for staff of charities. In particular, the site has a number of on-demand webinars on topics such as Not-for-Profit Accounting. The Basics of Tax Receipting, How to Determine the Value of Gifts-

Imagine Canada's new website, "Charity Tax Tools", provides many resources for staff of charities. In particular, the site has a number of on-demand webinars on topics such as Not-for-Profit Accounting, The Basics of Tax Receipting, How to Determine the Value of Gifts-in-Kind. Take some time to check out the site which is located at <http://charitytax.imaginecanada.ca/>.

In the News

PAPERLESS EXPENSE REPORTING --- The finance department is working on a project to introduce paperless expense reporting later this year. The system will allow officers and employees to submit expenses for refund over the internet, have them approved by their supervisor electronically, and then submitted to accounts payable for processing. The project's goals are to save paper, increase efficiency and reduce the time required to process expense refunds.

NEWS FROM THE PAST: Extract from *The War Cry*, July 8, 1899 --- We are delighted to announce that our worthy Comptroller of Finance, Major Smeeton, has recently passed successfully the final examination of the Institution of Chartered Accountants of Ontario. The subjects upon which the candidates were examined included Book-Keeping, Auditing, Insolvency, Joint Stock Companies, Mercantile Law, etc. and out of nine students which presented themselves for it, only four passed. Although Major Smeeton has had a practical experience of auditing and general office work for many years, yet with the praiseworthy ambition to excel in his sphere, he has for four years devoted his spare hours to thoroughly master all the subjects that would enable him to deal successfully and authoritatively with all matters of business that come under his supervision. It will considerably aid him in transacting business with financial institutions, which the administration of the property of our extensive and growing organization necessitates.



Financial Management

STAFF EXPENSE POLICY

The new staff expense policy (Operating Policy #3409) is modeled after policies published by other organizations that have some measure of public accountability. The policy is now posted to the Army's public website (www.salvationarmy.ca) and provides easy access to staff who may not have access to the Operating Policy Manual on Lotus Notes. The policy can be viewed by members of the public, in compliance with the requirements for public accountability and transparency in Ontario's Broader Public Sector Accountability Act ("BPSAA").

There has been much media attention on how reasonable public organizations are in their use of public funds. The BPSAA requirements increase transparency within the broader public sector so that members of the public can understand what expenses are reimbursable or not, and in what amounts. This leads to a greater understanding of the extent to which the organization is using public funds appropriately.



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:

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Money&Mission@can.salvationarmy.org.

Editorial Team

Managing Editor:

R. Paul Goodyear

Senior Editor:

Patricia Dunbar

Design Editor & Production Manager:

Angela Robertson

Other contributors to this issue:

David Dunstan

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

1655 Richardson St
Montréal QC H3K 3J7
(514) 288.2848

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