

Money & Mission



this issue

Operating As A Charity 1

Payroll Deadlines 2

New Standards Program for NFPOs 2

Christmas Kettles 2

Did You Know?

The Army's operations in Canada and Bermuda cost \$614 million last year. Of this, \$365 million, or 59% represented compensation or benefits.

Editorial

Michael Hyatt's blog, "Intentional Leadership", is well worth the read, particularly for his insights on work and time management. Earlier this year, he wrote about "Five Consequences of a Life out of Balance". He starts by saying that if you work 55 hours per week or more, you are working too much. He maintains that while you may be able to work at this level for a short period, doing so over the long-term will cause problems for your health, family, friends, effectiveness and the example you set. This has been a busy year, and I have been working much harder than I should. So, Hyatt's message resonates with me.

When I look at Jesus, I note that he regularly took time off to rest, spend time with friends, and with God. Knowing that he had only three years to accomplish his mission, it is remarkable that he spent so much time off the job. If Jesus realized that his work couldn't be the only thing in his life, how much more do you and I need to realize it?

I don't generally give my staff orders. But once in a while, when I see someone overdoing it, staying late too many nights, answering e-mail late into the evening, or coming into the office when feeling unwell, I tell him or her to go home and turn off the computer. I'm trying to follow my own advice.

Operating As A Charity

In an attempt to help fund their operations, many charities are turning to commercial business ventures that will generate a profit. Most people do not realize that this can potentially create a problem for their charitable registration. Charities are only allowed to operate businesses to the extent that they are related to their charitable objects or purposes. The fact that profits will be used to fund charitable activities is not a sufficient reason, legally, to allow a charity to undertake commercial activities. In a recent case, the Federal Court of Appeal agreed with the Canada Revenue Agency's decision to revoke the charitable registration of a church that was producing and selling maple syrup.

Charities can operate a related business, which is a business that is either ancillary to its charitable

objectives or one that is run substantially by volunteers. Generally, the law will allow charities to sell used clothing and other products that have been donated in support of their work because this is seen to be ancillary to the charity's objectives. A gift shop in a hospital is another example of a profitable enterprise that the CRA will allow.

Ministry units must thoroughly research any potential business venture before it is undertaken. This includes seeking advice from the legal and finance departments at territorial headquarters. They can assist you in determining whether or not a business venture will place your charitable registration in jeopardy and how to structure it to avoid problems with CRA.

Payroll Deadlines

The greatest hindrance to our ability to process payroll efficiently is not receiving all the necessary information on time. Receiving information too late to include in the current payroll not only makes the payroll inaccurate and could result in the need to issue manual cheques, but it has a snowball effect. The end result is that the employee's pay is not what he is expecting to see. Time and energy are consumed following up the situation---by staff at DHQ, the ministry unit, and the payroll group, not to mention the employee himself.

If the net pay was greater than it should have been, it is often several more pay periods to correct the problem. For example, it is possible that the employee will request that a double payment not come out of the next pay, because she cannot afford it. Instead, the employee would prefer to have the error spread out over several payrolls. This, in turn, creates the need for additional work for payroll staff. The whole process, which is highly inefficient, too often becomes the norm.

The only way to combat this cycle is for all staff at ministry units, DHQs and in the payroll group to strictly adhere to the published input/processing calendar. Meeting the final submission dates is essential to ensure payroll is processed correctly and on time. All management and supervisory staff should be aware of the importance of this calendar. It bears repeating that the consequence of missing the processing deadline is not simply creating additional work for the payroll group; it costs The Salvation Army more money in service charges and staffing costs. We need everyone's participation to ensure our employees are paid on time and in the right amounts.

The 2012 Payroll Processing Calendar will be issued in December 2011. If you need additional information or a copy of the 2011 calendar, please contact THQ_Payroll@can.salvationarmy.org.

New Standards Program for NFPOs

Imagine Canada is in the process of rolling out a new standards program. The program will offer accreditation to not-for-profit organizations that are able to demonstrate compliance with standards in five key areas: governance, financial accountability, fundraising, staff management, and volunteer involvement. THQ has commenced discussions with Imagine Canada concerning the implications for the Army.

Christmas Kettles

The Christmas fundraising season is almost upon us. By following these guidelines, you will help safeguard the funds raised in Christmas kettles.

- Secure the kettle or bubble to the stand so that no one will be able to simply grab it and run.
- Lock the bubble or kettle with a small padlock.
- Ensure that the worker at the kettle cannot open the bubble under any circumstances.
- Make sure that the kettle is never left unattended.
- If a donor is unable to place money in the bubble, ensure that the kettle worker does so immediately and in the presence of that donor.
- Open the kettle only in the presence of two unrelated individuals in a secure location.
- Count funds immediately upon opening the bubble in the presence of two individuals who will both confirm the amount received and sign a sheet of paper indicating the total.
- Store funds that cannot be deposited immediately in a safe until the next business day. Funds should never be taken to anyone's home or stored anywhere except in a safe.
- Consider using armored car service for bank deposits.



Money & Mission

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

**Issue 2, Volume II,
October 26, 2011**

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 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: Paul Goodyear

Senior Editor: Patricia Dunbar

Layout Editor: Angela Robertson

Production Manager: Angela Robertson

Contributors: Arnold Adey, Irene Chan, Wanda Dillon, David Dunstan, Laura Jordan, Samantha Moss, Christopher Tuk, Maisie Wong

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