

# Money & Mission



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## Editorial

Welcome to Volume III of Money & Mission. If you're a new reader, this two-pager is published twice per month, from October to June. To subscribe, please see the instructions in the side panel of the second page.

If you're already a subscriber, you will be aware of the readership survey we conducted last spring. This issue contains a special feature to unpack some of the results for you, but the key message we heard was 'keep doing what you are doing'. So, we will. The one thing many of you asked was that we include a column specifically on

Salvation Army policy. Starting with this issue, our Policy Perspective will attempt to explain key financial policies and to provide some of the background and rationale for their existence.

Over the next few months, we'll do our best to educate, stimulate, and provoke. Whether you like what you read or not, write us a note telling us how we're doing. If you disagree with us, tell us that too. We want this publication to be of help to you. Hearing from you periodically will ensure we are responsive to your needs.

## Accounting & Financial Reporting Focus

### FINANCIAL STATEMENT HIGHLIGHTS – MARCH 31, 2012

The year ending March 31, 2012 marks the second year the territory has published consolidated financial statements, providing donors, funders and the general public with a full picture of operations in The Salvation Army in Canada and Bermuda. The consolidated statements can be found through the following link: [http://www.salvationarmy.ca/wp-content/uploads/2012/08/SalvArmy\\_FinancialStatements\\_2011-12\\_web.pdf](http://www.salvationarmy.ca/wp-content/uploads/2012/08/SalvArmy_FinancialStatements_2011-12_web.pdf).

Generally, the Army's results in 2011/12 were positive and indicative of stable performance, compared to the previous year. Some of the highlights for fiscal 2012 include:

- The territory achieved an overall surplus of \$12.7 million.
- Budgeted targets were met or exceeded in many cases.
- The Army is holding the line on costs. Total operating expenses increased by only 2%, in line with inflation.

- The National Red Shield Appeal reached a new high, raising \$45.1 million which is an increase of \$1.3 million from the prior year.
- Legacy income was \$36.8 million, up slightly from the prior year but less than the \$40 million average experienced over the last 10 years.
- National Recycling Operations had another successful year and has paid a dividend of \$3 million to headquarters and divisions for distribution to community programs.
- 8 of 9 divisional headquarters have sufficient operating reserves to meet the targeted 3 month requirement. 52% of ministry units have sufficient reserves on hand.
- Fundraising costs were 11.7% of donation revenue, a favorable result.
- Headquarters costs represented 7.3% of total revenue.
- Investment income was significantly lower than the prior year, as a result of poor market conditions. In spite of this, the investment portfolio maintained its value.
- 191 ministry units (42%) realized operating deficits, with 53 (12%) ending the year with negative fund balances.

## Special Feature

### READERSHIP SURVEY – WHAT YOU TOLD US

We were extremely gratified that 173 of our readers took the time to answer our questions about Money & Mission earlier this year. This represents a 40% response rate which is excellent for a survey of this nature.

Most of you are satisfied with the length and format of the newsletter, its content and the frequency of publication. Almost all of our readers say that Money & Mission is of value to them. Given the effort that goes into publishing Money & Mission, it is reassuring to hear that we are meeting our readers' needs.

You also told us that you find articles on Army policy most useful and want to see more of them in future issues. We listened and hope you will enjoy Policy Perspectives, our new column on policy.

Here are some highlights of the survey results.

	% who agree
<i>Readership:</i>	
I read every issue	77%
I go through both pages, reading most or all of it	78%
<i>Format:</i>	
The format is attractive and easy to read	88%
Two pages is a good length for a publication of this sort	91%
<i>Most useful articles:</i>	
The articles which clarify Salvation Army policies	86%
The articles on accounting standards and processes	80%
<i>Topics readers would like to see in future issues:</i>	
Salvation Army policies on expenditures	75%
Policies on tax receipting	67%
<i>Value of Money &amp; Mission:</i>	
% of readers who place a medium to high value on the publication.	95%

Our thanks again to all who participated in the survey for their valuable feedback.

## In the News

**CHAN RETIRES AFTER 14 YEARS IN THE FINANCE DEPARTMENT** ---- Irene Chan, Assistant Financial Secretary, retired on September 30, 2012 after a varied career, including the last fourteen years at territorial headquarters. Irene joined the Army as director of financial reporting. Anyone who has met Irene knows about her strong technical and analytical skills, her keen sense of humour and ready rapport with people. She has contributed much to the finance department during her time with us, and we are grateful. Fortunately, Irene will return to us on December 1, 2012 when she will work as a project leader on a part time basis. Her first assignment is to develop a request for proposals for the replacement of the financial system at THQ.

**APPOINTMENTS** ---- David Dunstan, Director of Financial Reporting, and Samantha Moss, Director of Financial Accounting, assumed additional responsibilities in the finance department, effective October 1, 2012. Dunstan, who has worked at THQ for more than 17 years, becomes Senior Director, Planning, Reporting & Compliance. In this new role, he will continue to oversee the financial reporting group, as well as take on responsibility for fiscal strategy, budgetary planning and regulatory compliance. Moss, who has been at THQ for seven years, becomes Senior Director, Accounting, with responsibility for all accounting functions for THQ and the two Ontario divisions.

## Policy Perspective

### EXPENSE POLICY – WHY DO WE NEED IT?

A respondent to the readership survey questioned the need for the recently issued expense policy (OP3409), and why it still existed after we have allegedly received so much negative feedback on it. There are three points worth making in response to this.

First, the policy was created to comply with the terms of the Ontario Broader Public Sector Accountability Act, which requires us to have a staff expense policy and to post it on our website. Since it was deemed impractical to post all operating policies relating to staff expenses on the web, and there were a number of unwritten policies that had to be codified, it was felt that an omnibus expense policy should be developed.

Second, the finance department has, in fact, received little feedback concerning this policy. While there have been a number of questions for clarification and helpful suggestions for the next revision to the policy, we have not received any complaints about the policy's very existence (other than the comment in the survey).

Third, policies such as this are not created in a vacuum. This particular policy was first drafted in the spring of 2011 and distributed widely in draft form for comments. This resulted in significant changes prior to the policy being issued in January 2012.

We hope this explains the need for the expense policy. If you still have questions or comments write to us at [Money&Mission@can.salvationarmy.org](mailto:Money&Mission@can.salvationarmy.org).



### Money & Mission

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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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