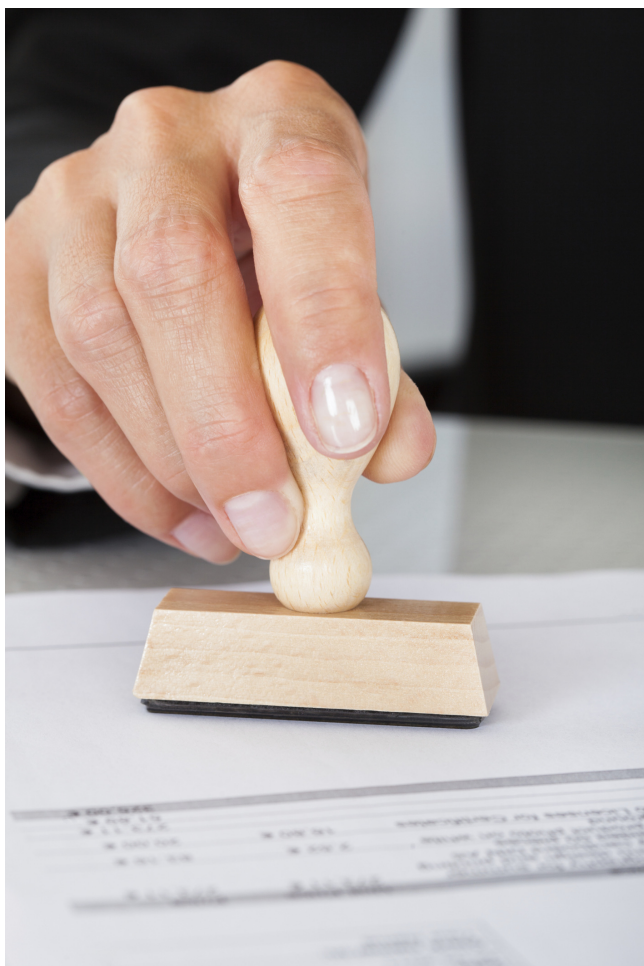


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# Money & Mission



## Editorial

### The buck stops with you...

For many organizations, employee expenses continue to be a major area of fraud. Sadly, The Salvation Army is not exempt from



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## In the News

### INVITATION TO COMMENT ON FISCAL STRATEGY ISSUED ---

The finance department has issued its discussion paper and invitation to comment on the Army's fiscal strategy for 2015/16. Historically, the paper has been circulated to leaders at THQ and DHQ only. This year, for the first time, it is being circulated more widely to any and all stakeholders who are interested. Copies of the paper are available from DHQs or directly from the finance department. Comments are due by Wednesday, June 4, 2014.

### WATT RETIRES AFTER 37 YEARS' SERVICE---

A service of thanksgiving was held at territorial headquarters on May 15, 2014 when Commissioner Brian Peddle, Territorial Commander, presented Lt. Colonel Neil Watt with his retirement certificate acknowledging 37 years' service as an active

improper behavior when it comes to claiming inappropriate expenses. A large number of internal audit reports reveal that Salvation Army officers and employees are responsible for misappropriating the Army's assets through improper expense reimbursements.

Sometimes this is intentional, at other times it is quite inadvertent. The result is the same, however; assets of the Army have been used for purposes other than its mission.

Edward Nagel, a forensic accounting expert, writes: *"I have come across many organizations whose expense reimbursement policies and procedures are robust, from requiring itemized lists of expenses to original receipts, and everything in between. However, certain organizations fall short when their managers/supervisors blindly review the actual expense reports submitted by employees, without sufficient scrutiny of the underlying support provided or reconciliation to company policies; employees realize this and take advantage."*

Nagel raises an important point: while the person who files the expense claim inappropriately is the one guilty of

officer. Over the years, Watt served in a variety of corps and administrative appointments, but is best known for the ten years he spent as Territorial Secretary for Business Administration, from 2003 to 2013. For the past year, in preparation for retirement, Watt has served as Assistant Financial Secretary. In paying tribute to his retiring colleague, Paul Goodyear, Territorial Financial Secretary, said: "In the years that I have worked here, I have worked with and for many different people, but there is none that I hold in higher esteem than Neil Watt. His integrity, his keen business sense, his pastoral concern, and his absolute dedication to the Army and its mission are unequalled in my view. With Neil Watt, what you see is what you get. He is as genuine a person as you will ever meet. Self-effacing, and endowed with much humility, he is truly one of the greatest Salvation Army leaders I have encountered."

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## Did You Know?

The Salvation Army Canada & Bermuda Territory will be accredited by Imagine Canada's new Standards Program for Charitable Organizations later this year. An application has been filed and work is underway to prepare for the accreditation process

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## QUOTES WORTH REPEATING

misappropriation, the person who approves the expense claim is also responsible if he or she has not sufficiently scrutinized the claim and ensured that it is in compliance with the Army's policies.

If your role involves the approval of expense claims submitted by officers or employees, Operating Policy 3410 should be read and re-read carefully to ensure that you are exercising due diligence in the performance of this responsibility. The buck really does stop at your desk.

## Accounting & Financial Reporting Focus

### Introducing Agresso

The project to replace Masterpiece and Shelby, the Army's financial systems, is now well underway. Agresso has been chosen as the system that will be used in the Canada and Bermuda Territory, commencing in April 2015. Ministry units who perform their own accounting will continue to use Shelby until the date of their transition to the finance

*"I want to make it clear that it is unacceptable for any hint of suspicion to follow any officer or employee when it comes to financial transactions . . . We need to ensure that corruption is banished. We have to recognize, sadly, that good and evil are present in The Salvation Army. But woe betide any individual found to be corrupt. We are reviewing our procedures—that will include every level of leadership. No-one is above the law. Misdemeanours will not be ignored."*

-- General André Cox

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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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department if that takes place after April 2015. It is expected that accounting for all ministry units will be performed in the finance department by mid-2016.

Masterpiece has been in use at THQ since 1996 and Shelby at ministry units and divisions since 1992. As a result of their age, it is anticipated that many manual processes will be fully automated with the advent of Agresso, allowing us to reap the benefits of technological advances that have taken place since existing systems were designed.

Key areas to be addressed as Agresso is implemented include:

- A simplified and standardized chart of accounts.
- A simplified and standardized departmental structure.
- Reporting by both object (administration, fundraising, housekeeping, etc.) and function (e.g. office supplies, salaries, etc.).
- A focus on bona fide external reporting requirements rather than personal preference.

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For more information about the Finance Department please see visit <http://salvationist.ca/departments/finance/>.

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- Reduction of ministry unit invoice coding and other preparation required before documentation is submitted to the finance department.
- Electronic transaction processing, reducing the use of cheques and cash for most transactions.
- More user-friendly reporting options.

## Charity Corner

### Charity Facts and Figures

The latest figures from Canada Revenue Agency indicate that, as of December 31, 2013, there were 86,617 registered charities in Canada, up from 86,159 at the same date in the prior year. Canada has one of the largest charitable sectors in the world.

Broken down by major group, 39% were charities organized for religious purposes, 22% for relief of poverty, 16% for education, while the remaining 23% were for other purposes beneficial to the community.

The Charities Directorate registered 1,932

charities during 2013, including both new registrations and re-registrations and completed 845 charity audits.

1,663 charities had their registration revoked during the year. Most (936) were at the request of the organization, but 695 were as a result of an organization not filing its annual charity information return (T3010). 23 were the result of an audit, and 9 were for other reasons (such as not maintaining corporate status).

By last count, there were 428 registered charities for Salvation Army headquarters and ministry units in Canada.

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