

Money & Mission

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Editorial: Christmas Gifts

For many who celebrate Christmas, gift-giving is an important part of the festivities. Those whose celebrations are based on Christian beliefs may think of the gifts brought by "wise men from the east" who followed the star of the Christ-child some 2,000 years ago, and brought him treasures of gold, frankincense and myrrh (as related in Matthew 2:1-12).

Who were these wise men? They are thought to have come from Persia - now Iran - and to have been members of the priestly caste which developed into the religion now known as Zoroastrianism. As part of their religion, these priests paid particular attention to the stars and are often referred to as Magi, derived from an ancient Persian word. Judging by their gifts, they were certainly wealthy. Also, they must have been tenacious in their convictions, to have journeyed well over a thousand kilometers from Persia to Bethlehem - probably on camels - to pay homage to a king about whom they knew nothing but the portents in the stars.

How many wise men were there? Matthew doesn't say; in earlier times eastern tradition said there were twelve of them. Nowadays, it is usually held that there were three, because of the three gifts identified.

What did their gifts represent?

- **Gold** was considered the gift for a king, being the king of metals. In this case, of course, the king would reign not by force, but by love.
- **Frankincense** was the gift for a priest, and in temple sacrifices its sweet perfume was used. The prime function of a priest or religious leader was, and is, to open the way to God for men.
- **Myrrh** was the gift for one who was to die, and was used to embalm bodies. It signified that Jesus, while born for all people, was also to die for us.

How much thought will go into the gifts you give this Christmas?

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Control of Official Donation Receipts

Here is a third article on tax receipting, referring to elements of a new Territorial Finance Manual section which will soon be released.

Control of Official Donation Receipts

Charities have a duty to guard against the unauthorized use of official donation receipts. All must be accounted for in numerical sequence. Should any be lost or stolen, the Canada Revenue Agency should be notified immediately.

Replacement receipts may be issued for a lost receipt, provided the replacement contains all required information, plus a notation to the effect that "this cancels and replaces receipt #...". Also, the copy of the lost receipt must be retained and marked "cancelled". Where a receipt is spoiled, i.e. there were incorrect or illegible entries for the date/year the donation was received or the amount of the donation, all copies must be retained and marked "cancelled".

Where there is an error on a receipt, neither alterations nor erasures may be made on either the original or the duplicate records. Erroneous receipts must be marked "cancelled" and retained for audit purposes and a corrected receipt issued.

At the end of the calendar year, records may not be left open to enable donors to increase their donations for the year by making a further contribution after the year end. Receipts may be issued for donations received after the year end only if sent by mail and postmarked by December 31.

Receipts may not be issued for loose collections, because these cannot be identified with particular donors.

A charity may issue computer-generated official donation receipts provided they contain all the required information, are clear and easy to read, and the data is sufficiently protected from unauthorized access. To protect such receipts from unauthorized access, a charity should ensure that:

- The computer system used to store the receipts is password protected and restricts

The computer system used to store the receipts is password protected and restricts entry to and modification of donor contribution records.

- Donor records are stored on non-erasable media, such as CD-ROMs or printouts, with copies kept off-site for recovery purposes.
- Hard copies of issued receipts can be printed on request.

Official donation receipts can be sent via e-mail, but the following precautions should be taken:

- Receipts should be in a read-only or non-editable format.
- Receipts should be protected from hackers through use of appropriate software.
- The document should be encrypted and signed with an electronic signature.
- The use of a secure electronic signature should be kept under the control of a responsible individual.
- Copies of e-mail-issued receipts must be retained.

Facsimile signatures may be used on official donation receipts where:

- The receipts are imprinted (usually by a commercial printer) with the name, address and registration number of the charity.
- Receipts are serially numbered by a printing press or numbering machine.
- All unused receipts are kept at the charity's Canadian address.

Canada's Anti-Spam Law and Charities

On July 1, 2014 Canada's new anti-spam law (CASL) came into force. Its provisions include the prohibition of the sending of commercial electronic messages without the recipient's consent, including messages to e-mail addresses and social networking accounts, and text messages sent to a cell phone. How does this affect charities?

The regulations to CASL provide an exemption for any commercial electronic message "that is sent by or on behalf of a registered charity as defined in subsection 248(1) of the Income Tax Act and the message has as its primary purpose raising funds for the charity." The Salvation Army and all its ministry units in Canada are covered by the definition referred to.

The meaning of "raising funds" is clearly of prime interest. It includes not only all activities that fall under the Canada Revenue Agency definition, and which charities report when calculating their fundraising ratio, but also other activities that raise funds. Activities which fall under the CRA fundraising definition include:

- soliciting donations;
- tickets to dinners, golf tournaments, and other fundraising events;
- lotteries; and
- fun runs and similar events.

Activities beyond the CRA definition of fundraising include:

- registered charities offering services to individuals who may benefit, where there is a cost-recovery element (for materials, for example); and,
- organizations, such as arts groups and cultural institutions, promoting ticket sales for upcoming events.

Based on the foregoing, Army units that send e-mails to encourage sales – probably corps

thrift stores and NRO - are the most likely to fall within the purview of this new legislation. They need to have controls to ensure that all such e-mails are consent-based, and so avoid the possibility of incurring the heavy penalties provided for in CASL.

If any ministry unit has questions about CASL, they are advised to contact their Division, which may, if necessary, seek input from the Legal Department at THQ.

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Giving Hope Today

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

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The voice of The Salvation Army



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