

MONEY & MISSION

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EDITORIAL: CRA RECEIPTING REQUIREMENTS

The article "New CRA Requirements for Official Donation Receipts" in this issue refers to the Canada Revenue Agency's requirement to include the CRA's new website on all official donation receipts issued after March 31, 2019.

An earlier article “CRA rules re official receipts” in the February 21, 2018 issue of *Money & Mission* reported that one of the most frequent internal audit findings over the past two years was incomplete adherence to these rules. This is therefore an opportune time for **every ministry unit that issues official charitable donation receipts** to carefully review all CRA requirements – including the new ones - and to make sure that they are all fully met.

This is an important issue that all ministry units should review.

NEW CRA REQUIREMENTS FOR OFFICIAL DONATION RECEIPTS


The Canada Revenue Agency (CRA) has issued new requirements for official donation receipts issued by charities, which have to be implemented by March 31, 2019.

The CRA website provides examples of receipts that will accommodate four types of gifts: Cash gift with no advantage, Cash gift with advantage, Non-cash gift with no advantage, and Non-cash gift with advantage. (The phrase “with advantage” refers to circumstances in which some benefit accrues to the donor, such as the value of the meal at a fund-raising dinner, or the value of green fees, cart rental and meal at a charity golf tournament; the value of the advantage must be subtracted from the amount of the gift.) The first type – Cash gift with no advantage - is by far the most common, and that example is reproduced below, but those wanting to see the other examples may follow this link:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/sample-official-donation-receipts.html>

Official donation receipt for income tax purposes

Receipt # XXXXX

 **Charity or qualified donee name** _____ **Receipt issued** _____ DD/MM/YYYY

Address _____ **Location issued** _____ City, Prov.

Charitable registration #: 000000000 RR 0000*

Donated by _____
(First and last name, and initial)

Address _____

Donation received _____ **Amount of gift** _____
(Date or year)**

Eligible amount of gift

Authorized signature: _____

Canada Revenue Agency - canada.ca/charities-giving

*Only registered charities, Canadian athletic associations and national arts service organizations have a charitable registration number.

CRA does not require that this precise format be followed, but receipts must contain the same information as in the examples. A ministry unit that receives different kinds of gifts may choose to include all of the content in the fourth example for their receipts, i.e., non-cash gift with advantage, although for many gifts several of the lines would be left blank, being inapplicable.

The Territorial Finance Manual, Section 090203 “Content of Official Donation Receipts”, will soon be amended to reflect this new requirement.

BUDGET 2019 HIGHLIGHTS

By Paul Goodyear, Financial Secretary

On March 21, 2018, the Territorial Management Board reviewed and approved budgetary submissions for divisions and ministry units for fiscal 2019.

Ministry unit expenses are expected to increase by 2.5% to \$487.7 million. Divisional grants to ministry units are expected to reach \$48.9 million, an increase of 3.6% over the prior year.

70% of the corps in the Territory can now be classified as self-supporting, meaning that they receive no grants from their division or THQ, other than funding for community and social services, up from 68% in the prior year.

Divisions have identified building projects with estimated costs of \$300 million to be undertaken in the next ten years.

74 ministry units are projecting operating deficits in the year ahead, most of whom will be able to meet them with their own reserves.

125 ministry units have insufficient working capital or operating fund balances to meet three months' operating expenses, as required by international policy. On a consolidated basis, however, the Territory is expected to have sufficient working capital to meet 2.8 months' operating expenses by March 31, 2019. The excess over 3 months carried by some entities masks the fact that the 125 ministry units which are not in compliance with policy would need an infusion of approximately \$70 million.

Only 15 ministry unit budgets were rejected by the Board this year. These budgets projected deficits in the year ahead, without sufficient funds to meet them. Ministry unit leaders have been asked to work with their divisions to balance these budgets and re-submit them.

The work involved in the preparation of budgets is significant, but it is an important exercise in the management of the Territory, ensuring that resources are appropriately allocated to advance the Army's mission. While it is not possible for the Board itself to review every submission in detail, the work done by divisional finance boards and business staffs allowed the finance department to prepare a 147-page report for the Board. This report provides a great deal of information not only about money, but about the mission activities to be undertaken in the year ahead. This year's report helps the Board to understand the diversity of programs and services being provided across the Territory, and the important ministry that is being undertaken.

DID YOU KNOW? SIX DAYS YOU SHALL LABOUR...

"Work is so foundational to our makeup that it is one of the few things we can take in significant doses without harm. Indeed the Bible does not say we should work one day and rest six, or that work and rest should be balanced evenly – but directs us to the opposite ratio. Leisure and pleasure are great goods, but we can take only so much of them. If you ask people in nursing homes or hospitals how they are doing, you will often hear that their main regret is that they wish they had something to do, some way to be

useful to others. They feel they have too much leisure and not enough work. The loss of work is deeply disturbing because we were designed for it. This realization injects a deeper and far more positive meaning into the common view that people work in order to survive. According to the Bible, we don't merely need the money from work to survive; we need the work itself to survive and live fully human lives."

(From *Every Good Endeavour* by Timothy Keller, pages 37 and 38)

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