

MONEY & MISSION

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EDITORIAL: OUR STEWARDSHIP OF TIME

Jeff Bezos, CEO of Amazon, the on-line retailing giant, is reputed to be the richest person in the world. But there is a way in which each of us is just as rich as Mr. Bezos: we have 24 hours in the day, exactly the same for him. He can 'save time' by engaging people to do certain things for him, but he can't hire others to do things like taking his place in spending time with his children, or going on vacation for him. He has to steward his own time.

During the past few months *Money & Mission* has given considerable attention to the stewardship of money, by having an article on *The Financial Stewardship Bible* in the November 7, 2018 issue, and by quoting a Bible verse relating to financial stewardship in this

and recent issues. However, we must remember that we are also called to be faithful stewards of our time, not only at work, but also in our other activities. Consider verses such as the following from Scripture:

- "We must work the works of him who sent me while it is day; night is coming, when no one can work." (John 9:4)
- "Look carefully then how you walk, not as unwise but as wise, making the best use of the time, because the days are evil." (Ephesians 5:15-16)
- "Walk in wisdom toward outsiders, making the best use of the time." (Colossians 4:5)

None of us has any idea how much time we have on this earth. Let us treat every hour as a gift from almighty God!

INTERVIEW OF COMMISSIONER SUSAN MCMILLAN – II

By Paul Goodyear, Territorial Financial Secretary

During my interview I asked the Commissioner five questions. Her answers to the first three were set out in the last issue; her responses to the other two follow.

4. You were away from Canada and Bermuda for eleven years. What differences have you noticed in the Territory's financial management since your return?

When I left the Territory in 2003, we had just made a shift in our accounting system and were in the process of bringing more ministry units into it. When I came home in 2014 we were just about to do the same thing again with the introduction of Agresso!

Nevertheless, since returning, I have found that our reporting system is much more detailed and explanatory. "Insight", the finance department's quarterly report package, is, I believe, second to none in the Army world. Other Territories would be so helped by having such reporting every quarter. This report is sent to all THQ Department Heads, DCs, DSBA's, DDWMs and Area Commanders, with the invitation to address requests for clarification to the Financial Secretary. The leadership of our Territory has a wealth of financial information available to them in an understandable and timely package.

5. What difference do you think the new International Financial & Accounting Standards (IFAS) published by IHQ will have on the Army internationally?

From my first appointment in 1988 as a Financial Secretary in South America, I was asking for an update of the Finance manual then in place. As an accountant, the required financial statement format seemed very strange, and meant preparing two sets of statements, one for our use in the Territory and the other for IHQ. The IHQ statements were not what our auditors required, nor was I able to fully brief the Territorial leadership using them.

The IFAS published last year allow for statements to be prepared in the format that is generally accepted by the accounting profession around the world. Not only that, but they allow for greater application of the GAAP (Generally Accepted Accounting Principles) of the countries where the Army operates. While the accounting profession worldwide has attempted greater standardization through IFRS (International Financial Reporting Standards), due to the

greater standardization through IFRS (International Financial Reporting Standards), due to the extreme variation in the world economies, IFRS are adopted and adapted on a country-by-country basis. So, while IFAS is based on IFRS, it still allows for some in-country adaptation based on local GAAP.

Additionally, IFAS brings the Army's accounting policies into the present and up to a standard that is commensurate with that used by other significant international entities. It will take some work to achieve compliance with IFAS, but the accountability of the Army will be significantly enhanced. Here in the Canada and Bermuda Territory, we were already compliant with the majority of the IFAS requirements and the finance department has prepared a plan to get us the rest of the way.

IFAS also includes KPIs (Key Performance Indicators) which will help to identify financial problems and trends within the territories, and allow IHQ to compare territories on a similar basis. This will be a huge step towards greater accountability worldwide.

CHARITY CORNER: CRA PENALTIES FOR NON-COMPLIANCE

The Canada Revenue Agency (CRA) has recently published a list of penalties/suspensions for 19 potential infractions by registered charities. For example, the penalties for two common infractions are:

- For issuing receipts with incomplete information: a 5% penalty on the eligible amount stated on the receipt for a first infraction, and a 10% penalty for repeat infractions.
- For carrying on an unrelated business: a 5% penalty on gross unrelated business revenue earned in a fiscal period for a first infraction, and both a 100% penalty and a suspension of tax-receipting privileges for repeat infractions.

For a complete list of the penalties, follow this link: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/penalties-suspensions.html#pnltchrts>

DID YOU KNOW? YEAR-OVER-YEAR COMPARISONS

By Justin Yantha, Director – Financial Reporting and Analysis

In the February 20 issue of *Money & Mission*, we introduced two reports from the array of helpful reports available under the Information Pages section in Agresso, which you can utilize to obtain important financial information. In this issue, we focus on the Year-over-Year Variance Report.

This report generates a statement that compares your ministry unit's current year results with results from the same period in the prior year. It provides a snapshot of how your unit is doing compared with the prior year on a consolidated level, as well as by each individual department. A blank column for variance explanations is available for your comments and analysis

findings. Monitoring year-over-year performance can help a unit manage its resources more effectively, and identify any areas that require attention.

Stay tuned for information about additional reports in future issues of *Money & Mission!*

VERSE FROM THE FINANCIAL STEWARDSHIP BIBLE

Psalm 24: 1 "The earth and everything in it belong to the Lord. The world and its people belong to him."

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