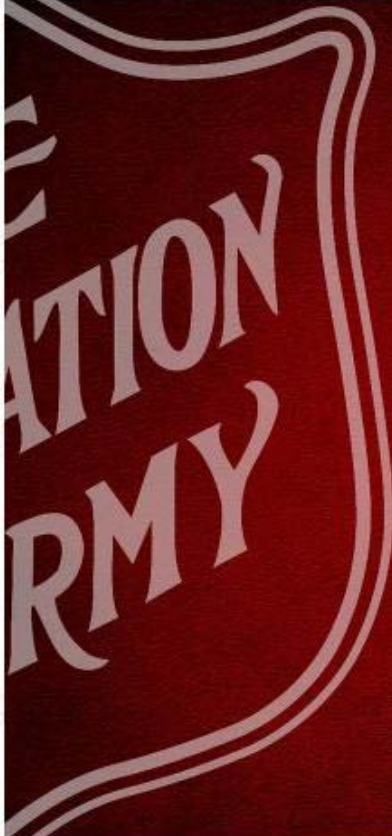


MONEY & MISSION

VOLUME IX, ISSUE 9 - FEBRUARY 6, 2019



THE SALVATION ARMY
Canada and Bermuda Territory

MISSION AND VALUES


The Salvation Army exists to share the love of Jesus Christ, meet human needs and be a transforming influence in the communities of our world.

HOPE
We give hope through the power of the gospel of Jesus Christ.

SERVICE
We reach out to support others without discrimination.

DIGNITY
We respect and value each other, recognizing everyone's worth.

STEWARDSHIP
We responsibly manage the resources entrusted to us.



Giving Hope Today

EDITORIAL: THE ARMY'S CORE VALUES

In her New Year's Address on January 10 our Territorial Commander, Commissioner Susan McMillan, outlined four "Core Values" that are to be applied across the Territory in implementing the Army's Mission Statement:

The Salvation Army exists to share the love of Jesus Christ, meet human needs and be a transforming influence in the communities of our world.

The Territorial Commander ("TC") stressed that these Core Values not only say who we are, but who we want to say we are:

Hope: We give hope through the power of the gospel of Jesus Christ.

Service: We reach out to support others without discrimination.

Dignity: We respect and value each other, recognizing everyone's worth.

Stewardship: We responsibly manage the resources entrusted to us.

The fourth of these – Stewardship – is perhaps particularly important to those of us in finance and administration. The TC reminded us that gifts from other people or from God are best understood as trusts, referring to I Peter 4: 10 "Each should use whatever gift they have received to serve others, as faithful stewards of God's grace in its various forms." Also, she challenged us to be more generous in our personal financial giving: "As we cultivate generosity, we can serve more, influence more and transform more."

Further, the TC urged us to see these four Core Values not only as corporate values, but also as personal values. Specific examples of being good stewards of our time and talents which she shared were assisting newcomers to Canada with their income taxes, leading a charity drive, and baking cookies for community and family services clients.

May we all bear these Core Values in mind throughout 2019.

INVESTMENT MANAGEMENT – DUE DILIGENCE AND PRUDENCE

By R. Paul Goodyear, Territorial Financial Secretary

Two key terms define the Army's investment management process: due diligence and prudence. Investment funds are held by CIBC Mellon as custodian, and decisions about individual holdings are made by nine investment management firms, each of whom has responsibility for investments in different asset classes (e.g. Canadian equities, global equities, fixed income, etc.). Their decisions are made in compliance with statements of investment policies approved by the Territorial Management Board. These policies set out the Army's fundamental investment beliefs and constraints on both the quality and quantity of individual investment instruments, as well as key ethical restraints that align with the Army's values.

The Investment Advisory Committee is responsible for making recommendations to the Territorial Management Board concerning the investment policy and the engagement of investment management firms. It also monitors their performance in comparison to established benchmarks. The committee is presently comprised of four volunteers with investment backgrounds and four THQ staff (Lt. Colonel Fred Waters, Territorial Secretary for Business Administration, Mr. Paul Goodyear, Territorial Financial Secretary, Mr. David Dunstan, Assistant Financial Secretary, and Ms. Mary Ann Wiley, Director of Investments).

The funds are managed with the objective of providing a 3.5% real rate of return (i.e. net of inflation) over a four-year period. Although there are sometimes four year periods when this objective is not realized due to market conditions, the funds have consistently met or

exceeded it since 2012.

While the outlook for 2019 may be volatile and uncertain, the Army's focus is on the long-term and is intended to weather short-term volatility while preserving and enhancing value in the long-term. A copy of the Army's investment policy can be found at www.salvationarmy.ca. Readers will be interested to know that the investment program currently generates sufficient funds that the Army does not need to make contributions to the officers' pension plan, and provides approximately \$50 million per year for the Army's operations.

FINANCE DEPARTMENT TRAINING

By Arnold Adey, Assistant Financial Secretary

We live in a world of continual change. Albert Einstein once said "Intellectual growth should commence at birth and cease only at death."

Did you know that the finance department has a training page on the Salvationist Web site? It is located at the following address <https://salvationist.ca/finance/training/>.

There are close to 20 separate training webinars and videos covering topics that include budgeting, Agresso, TEM, and Internal Controls.

From the training page, clicking on the topic will bring you to a registration page where upon provision of your name and email address, you can immediately view the webinar. The webinars vary in length with some under 10 minutes, but they average around 30 to 45 minutes. You might be interested in a short 7-minute recording on how to approve invoices in Agresso, or if you have more time, a 45-minute fraud awareness seminar may be more to your liking.

We are interested in new topic ideas and are looking to develop shorter "YouTube" style recordings. You are encouraged to check out the site and continue your learning! Let us know what you think by contacting us at THQ_Finance@can.salvationarmy.org.

DID YOU KNOW? ENGAGING A NEW INVESTMENT MANAGER

Readers of *Money & Mission* may be aware that the Territory's Investment Advisory Committee uses several investment managers to assist in managing its investment portfolios, totalling nearly \$1.2 billion, but may not know how these managers are selected.

A most rigorous process is followed. For example, before engaging a UK firm, Longview Partners, to manage 50% of the Territory's global equity assets, the Committee retained a Montreal-based company, Pavilion Advisory Group Ltd., to identify potential managers that met the Committee's criteria. Pavilion screened almost 1,000 managers who manage global equities, scoring each of them, and identifying the top 17. A further screening reduced the list of managers to be interviewed by the Committee to five, from which Longview was selected, and started work in 2017.

VERSE FROM THE FINANCIAL STEWARDSHIP BIBLE

"Remember this saying, 'A few seeds make a small harvest, but a lot of seeds make a big harvest.' Each of you must make up your own mind about how much to give. But don't feel sorry that you must give and don't feel that you are forced to give. God loves people who love to give." (II Corinthians 9: 6-7)

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FOR MORE INFORMATION...

Please click [here](#) for back issues of *Money & Mission*, to see our index by topic or to find a printable version.

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

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