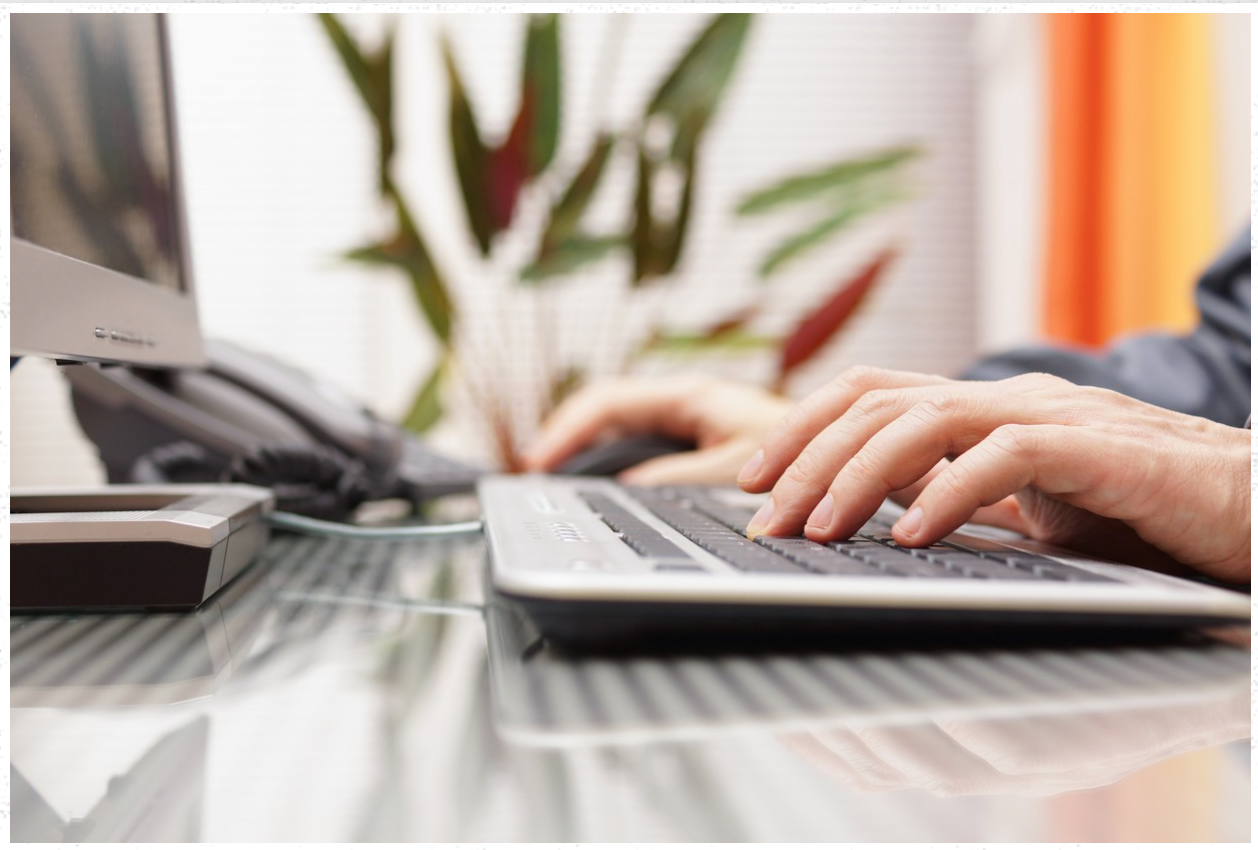


MONEY & MISSION

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EDITORIAL: 20 YEARS SINCE REGIONAL ACCOUNTING OFFICES ESTABLISHED

By R. Paul Goodyear, Financial Secretary

It's hard to believe that 20 years have passed since the first satellite office of the finance department opened in St. John's in September 1998. The Territory had decided to move the accounting for divisional headquarters functions to the finance department, and eventually accounting offices (originally called "regional accounting centres") were also established in Winnipeg, Montreal, Toronto, Vancouver and Calgary. Initially, the focus was on divisional

headquarters, but we inherited the accounting for about 22 ministry units for whom divisions had been providing services.

These services grew, and by 2013, 75% of ministry units were having their accounting services provided by the finance department. The Territorial Management Board then concluded that all ministry units should migrate to this model, and this transition is now complete except for a couple of units with unique circumstances.

Mistakes have been made along the way; in retrospect, transitioning over 100 ministry units to the finance department while implementing new accounting systems was too ambitious, and the quality of our services suffered as a result.

Despite this, the consolidation of all accounting and financial services in the finance department has significantly improved the quality of the Territory's accounting and financial reporting. In a recent conference for not-for-profit organizations, the Army's financial statements were referred to as 'the gold standard' for the sector. Auditors, both internal and external, frequently cite the reduction in audit work and the improved control environment which have been realized with the centralized accounting service. Other Army territories envy what we have accomplished, and are keen to learn from our experience as they move in the same direction.

We want to pause and reflect on the evolution of accounting and financial reporting in the Territory since 1998, but we will not pause for long. There is much still to be accomplished as we work to ensure that we are not simply transaction processors, but trusted partners in the delivery of the Army's mission.

MINISTRY UNIT ACCOUNTING AND FINANCIAL REPORTING

By Samantha Moss, Assistant Financial Secretary

Being the 20th anniversary of the establishment of the finance department's role in ministry unit accounting and financial reporting, it is timely to review our role and the types of questions that should be directed to us, rather than to divisional headquarters.

How is accounting for ministry units organized?

Accounting services to ministry units are provided through six accounting groups:

- The Western accounting group, based in Calgary and directed by Pam Mcluskey, serves the British Columbia and Alberta and Northern Territories divisions.
- The Eastern accounting group, based in St. John's and directed by Wanda Dillon, serves the Quebec, Maritime, Newfoundland and Bermuda divisions.
- Two groups located in Toronto provide services to ministry units in Ontario, Manitoba and Saskatchewan. Nilus Rubanathan and his team serve the Prairies and Ontario Great Lakes divisions, while Haydn Salick and his team serve the Ontario Central East division and Grace Communities Corporation.

- The Territorial Headquarters group in Toronto, directed by Ed Laylo, serves THQ, National Recycling Operations, Booth University College and the College for Officer Training.
- The Accounting Operations group, directed by Lori Coleman, manages accounts payable and receivable for all divisions. Team members are located in our offices in St. John's, Toronto and Calgary.

What do the accounting groups do?

The accounting groups serve as business partners to the ministry units and divisions. They aim at reducing the administrative burden with respect to financial matters while assisting units in fulfilling their financial management responsibilities.

A primary responsibility of these teams is handling the day-to-day transactions, including processing accounts payable invoices, entries to record bank deposits, transfers to and from deposit accounts, and cost allocations between departments. They are available to provide advice and direction on accounting-related matters, and have responsibility for ensuring that these transactions are processed in accordance with generally accepted accounting principles and Army policy.

Another significant role of these offices is to analyze and interpret financial statements. The staffs prepare regular balance sheet reconciliations to help understand each ministry unit's financial position. In addition, they regularly review budget variance reports to identify major variances and trends and, for ministry units requiring an external audit, they prepare reconciliations and financial statements. They liaise between ministry units and KPMG, our external auditors, to ensure that all relevant information is captured within the financial statements and presented for audit.

When should I contact the accounting groups?

Issues of a transactional nature should be directed to the accounting groups since their main role is processing transactions. Examples of questions or issues that should be directed to them are:

- What transactions make up the balance of this account?
- I need a new department or account set up
- Which account should I use to budget for this item?
- What is the status of payment of this invoice?

Matters relating to strategic issues or requests for approval should be directed to divisional headquarters, including:

- Can I make a withdrawal from the unit's capital deposit account?
- I am planning renovations to my corps building and need to prepare a financial scheme. What should I do?
- My ministry unit needs to make a significant, unbudgeted purchase. Who can grant approval for this?
- I need assistance in developing a budget to accompany my program proposal.

The finance department is continually striving to improve its services. In the coming months we will be rolling out a new customer-focused service model that will enable the finance department to better understand the needs of ministry units and provide more effective assistance.

Ministry units should feel free to reach out to their accounting director to discuss the assistance that can be provided.

DID YOU KNOW? BENEFITS OF VOLUNTEERING

A review led by the Rotman Research Institute at Baycrest Health Sciences Centre in Toronto (a global leader in research on brain health and aging) examined 73 studies published over the last 45 years involving adults aged 50-plus who were in formal volunteering roles. The key findings included the following:

- Volunteering is associated with reductions in symptoms of depression, better overall health, fewer functional limitations and greater longevity.
- Health benefits may depend on a moderate level of volunteering. There appears to be a tipping point after which greater benefits no longer accrue. The “sweet spot” appears to be at about 100 annual hours, or two to three hours per week.
- More vulnerable seniors (those with chronic health conditions) may benefit the most from volunteering.
- Feeling appreciated or needed as a volunteer appears to amplify the relationship between volunteering and psychosocial well-being.

Unfortunately, none of these studies examined the association between volunteering and the risk of dementia, or the association between volunteering and other health conditions that put seniors at a higher risk for dementia, such as diabetes and strokes.

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