

Money & Mission

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Editorial - Stewardship

For many years “stewardship” was associated primarily with the Biblical injunction to use money wisely. Reference to passages such as Matthew 25:14-30 – sometimes referred to as “The Parable of the Talents” - reinforced that view.

Some have interpreted “talent” more broadly, to extend the meaning to other assets that are considered to have come from God, such as time, material possessions, skills or abilities. Under this view stewardship means prudent and careful management of everything given into our care.

There are many definitions of stewardship in use today. The environmentalists are particularly fond of the word “stewardship”, when referring to care of the planet. The average person who reads about Stewardship Ontario is unlikely to think that the organization tries to make Ontarians more grateful to God for their talents. The same can be said for the Stewardship Centre for BC, or the Alberta Stewardship Network.

Regardless of how “stewardship” is used elsewhere, those of us in the Army with financial responsibility need to bear three things in mind:

- We should be grateful for the thousands who donate to The Salvation Army, and make it possible for us to minister to the needy.
- As stewards of the Army's money and other assets, we need to see that they are used for the purposes the donors intended.
- As stewards of our own time, we should make sure we use it effectively, and are alert to ways in which we can do more with less.

"Turn in the account of your stewardship .." (Luke 16:2 RSV)

Donation Receipts for Tax Purposes - Part I

The Canada Revenue Agency (CRA) has issued a number of detailed rules regarding the issuance of official donation receipts for income tax purposes. The main ones have been incorporated into TFM 0902. To test your knowledge of this section, we set out below five examples of situations in which care is needed in assessing whether a tax receipt may be issued, and if so, in what amount. Consider them before turning to the answers that follow the examples. Five more examples will be included in Part II, in the next issue of *Money & Mission*.

1. A local resident can no longer drive, and he wants to donate his car to your ministry unit. He thinks it is worth \$5,000, but you think you it could be sold for \$4,000. Can you issue a tax receipt, and if so, for which of these amounts?
2. A member of your corps is a single mother who is in financial difficulty. Another member of the corps is aware of her circumstances, and wants to make a donation to the corps which would be used to help her. Is this permitted?
3. A family that was active in your corps recently moved to Fort McMurray, and lost everything in the fires that swept through the town. The corps wants to take up an offering for them. Can the donations be receipted?
4. Your ministry unit wants to update its website, but can't afford to pay the \$7,500 fee of a professional website designer. The designer undertakes to do the work provided he is given a tax receipt for that amount. Is that permissible?
5. The youth group in your corps is planning to travel to a provincial youth rally, and each member is required to raise funds to cover his/her share of the travel costs. Can the corps issue tax receipts for donations made for this purpose?

Answers

1. A tax receipt can be issued, but the amount must be determined by a qualified person who is independent of both the donor and the ministry unit. Also, the name and address of the appraiser would have to appear on the donation receipt.
2. No, this would be considered private benevolence – a donor may not specify the beneficiary of his/her gift. If one of the corps' objectives were to provide financial support to single mothers, the donor could contribute to that general purpose and obtain a tax receipt, but could not specify which individual(s) would benefit.
3. No, this too would be considered private benevolence.
4. No, it is not permitted to issue a receipt for services.
5. Receipts can only be issued if the donations are to support the travel of the group as a whole, rather than for a specific individual. If the particular young person the donor has in mind does not go to the youth rally, the donation could not be refunded.

Imagine Canada's Standards for Accreditation

In the article "Salvation Army Achieves Imagine Canada's Accreditation" (January 6, 2016 Issue) we reported this achievement, which entailed meeting 73 standards across five areas: Board Governance, Financial Accountability & Transparency, Fundraising, Staff Management and Volunteer Management. Readers may be interested in learning more about these standards.

The standards recognize that what might be appropriate for a large organization could be beyond the ability of a smaller one. The standards are therefore divided into three levels, according to number of employees and annual expenses of a charity. Not surprisingly, The Salvation Army is at the highest level; the standards outlined here are those for that level.

Board Governance

The 24 standards in this category cover those on Board Leadership (such as mission statement and strategic plan), Board Oversight (e.g. recruitment and orientation of the CEO), and Governance Policies and Processes (e.g. conflict of interest policies, and terms of reference for the board).

Financial Accountability & Transparency

These 13 standards are in two areas: Financial Accountability (e.g. annual financial statements prepared in accordance with an acceptable accounting framework), and Transparency (e.g. financial statements are publicly available, and all costs related to fundraising activities are disclosed).

Fundraising

The 14 standards relating to fundraising are divided between Donor Relations (e.g. donor lists not sold) and Fundraising Practices (e.g. does not pay finder's fees or percentage compensation based on contributions).

Staff Management

The 13 standards in this category are divided into three areas: Policies & Other Documentation (e.g. all employees have job descriptions), Recruitment, Orientation & Training (e.g. all employees are provided with appropriate orientation and training), and Performance Management & Staff Development (e.g. the performance of each employee is assessed at least annually).

Volunteer Involvement

These final 9 standards cover such matters as appropriate screening processes for volunteers, and the contributions of volunteers being acknowledged and recognized.

Having met the above standards, the Army cannot afford to relax. Rather, we must ensure that the standards are maintained, so that we will not encounter any difficulties when it comes time to apply for renewal of accreditation.

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