

MONEY & MISSION

VOLUME IX, ISSUE 5 - DECEMBER 5, 2018



EDITORIAL: THE EYE OF A NEEDLE

".. it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God" (Matthew 19:24, RSV).

This statement of Jesus is one of the best-known verses about money in the Bible. It also appears in two other Gospels – Mark 10:25 and Luke 18:25.

The verse is often taken at its face value, meaning that it is absolutely impossible for a rich man to enter the kingdom of God. There is, however, another interpretation: that "the eye of a needle" was a metaphor for a very narrow opening. Some years ago a letter writer to *The*

Economist magazine explained that the eye of the needle was the postern gate of a city in the Middle East:

“The main gate was closed at sunset, pedestrians might use the postern until later. With difficulty a late camel could be passed through the postern, and I witnessed such a performance. The camel was unloaded, made to kneel and with pulling and shoving, skidded through the eye of the needle. The roars of the victim and the imprecations of the camel men showed the cogency of the biblical metaphor. So the rich man may indeed enter the kingdom of heaven but not without losing some skin.”

But see also how Jesus responded to His disciples’ follow-up question “Who then can be saved?” He said “With men this is impossible, but with God all things are possible.”

Are there any readers of *Money & Mission* who would not, by the standards of the majority of people now living, be considered to be rich?

CHARITY CORNER – INADEQUATE CONTROL OVER CLIENT FUNDS

By Samantha Moss, Assistant Financial Secretary

Earlier this year, *Money & Mission* ran a series of articles about common findings by internal auditors. While the management of trust funds (holding funds on behalf of clients or residents) was not in the top five, it is a pervasive issue for Ministry Units that have them.

As the name implies, custody of trust funds puts the handler in a position of great trust. Our clients trust us to keep their money safe, and that’s exactly what controls are meant to do. Without control we open ourselves to claims of misuse and theft, whether real or imagined.

Some of the most common issues relating to control of trust funds are:

- Inadequate reconciliations
- No segregation of duties for those handling funds
- Cash deposits not made on a timely basis
- Monthly statements not provided to clients/families of clients.

These issues result in a lack of transparency to the volume and nature of transactions running through the accounts. They leave The Army vulnerable to misappropriation of client funds. Not only would this result in significant losses for our clients, but also serious damage to our reputation, and potential legal and financial penalties.

If you manage trust funds, what can you do to prevent problems from happening? Good news! The finance department has created some excellent resources in the Territorial Finance Manual to help you avoid the most common issues. Section 5001 includes general guidance with respect to mitigating fraud and misappropriation of funds. Operating policy 4004 contains specific guidance when dealing with funds held on behalf of clients and residents.

All ministry units involved in the administration of client funds are strongly encouraged to make use of these resources. If you're not sure what to do, please reach out to the finance department for assistance as required. We are here to help!

BUDGETING – NOT JUST A ONCE-A-YEAR EXERCISE

By Marilyn DeMara, Consultant

Do you view budgeting as a necessary annual evil? Do your thoughts include tediously pulling together information, making sure the finished product is mathematically correct, then submitting the document for review, hopefully never to be seen again? If so, you are missing an excellent opportunity to use the budgeting time to your best advantage, and ensuring your ministry unit's budget winds up working for you.

A budget is a powerful tool, and can be used throughout the year to help you manage your unit's financial situation. It is the foundation of your financial plan, and should be constructed to enable ongoing monitoring throughout the year, to assist with decision making.

The budget is the link to your unit's strategic plan and goals. Your strategy should be clearly established before starting to prepare your budget. This will help to prioritize your spending and establish the need for surpluses to fund the unit's future needs. A key part of budgeting is estimating when expenses will be incurred, and the timing of receipts. Your financial road map becomes clearer when you put a time frame around your activities. Allocating expenses to certain months, or evenly throughout the year, provides a benchmark against which to measure your activity.

Monthly and quarterly monitoring, when you compare your unit's actual financial results to initial estimated amounts, allows you to determine whether changes should be made to spending plans. This comparison enables you to stand back, analyse what has transpired, and assess the need to make adjustments on a go-forward basis. Ongoing monitoring can highlight possible problems, and help ensure you are timing future expenditures wisely. Monitoring can result in changing the timing of a new initiative, altering future program expenses, or assist in determining whether additional funding is required.

Budgeting helps you decide how and when your unit's funds should be spent. Ongoing review of budget-to-actual results helps to make sure you are on track, and on your way to achieving your financial goals.

DID YOU KNOW? IMPACT VS. OVERHEAD

"It's easy to focus on a charity's fundraising and administrative costs, understanding impact is not. Evaluating or ranking a charity solely on how much it spends on overhead is misleading. The bottom line is that the measure of an organization's effectiveness is the impact it makes on the community, not what it spends. Charities need the right tools to get the job done and,

like businesses, have hard cost 'checks and balances' to ensure it is accountable, transparent and effective." (from "Giving Tips" on the website of Imagine Canada)

FOR BACK ISSUES AND PRINTABLE VERSIONS OF THIS NEWSLETTER, PLEASE CLICK HERE TO GO TO OUR WEBPAGE

FINANCE DEPARTMENT OFFICES

2 Overlea Blvd
Toronto, ON M4H 1P4
(416) 425.2111 ext. 2237

116 - 276 Midpark Way SE
Calgary AB T2X 1J6
(403) 201.9223

101 - 85 Thorburn Rd
St. John's NL A1B 3M2
(709) 579.3919



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/>

To subscribe:

Please click on the orange "Follow Money & Mission" button and enter your name and email address. You will then be added to our mailing list.

To unsubscribe, please click on the green "Contact Money & Mission" button and send a message saying "unsubscribe".

Salvationist.ca
The voice of The Salvation Army



Giving
Hope
Today

MONEY & MISSION EDITORIAL TEAM

Managing Editor:

Alister Mason

Senior Editor:

Paul Goodyear

Design Editor & Production Manager:

Angela Robertson

French Translator:

The Salvation Army Translation Department