

## SOCIAL AND VOLUNTARY SERVICES COMMISSION FUNDING REQUEST

Legal Name of Agency: The Salvation Army, A Georgia Corporation

Mailing Address: P.O. Box 1092, Norman, OK 73069

Application completed by: Leona Chapman, Director of Social Services

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**Amount of Funding Request:** \$10,000.00

In what year was your Agency incorporated: 1953

Are you associated with a national organization: Yes

Number of volunteers: 2 regular weekly volunteers and numerous others for events

How many hours do volunteers donate: 20-40 weekly

How much money do volunteers save the agency: \$18,000.

Has your Agency applied for SVSC funds before:

Year 2011 Amount \$2,000 Purpose Shelter Utilities

Year 2012 Amount \$6,000 Purpose Shelter Utilities

Year Amount Purpose

Year Amount Purpose

Year Amount Purpose

**Financial Information from the last fiscal year:**

Percent of the budget which is spent on fund-raising:	<u>17%</u>
Percent of your budget spent on programs:	<u>83%</u>
Percent of your budget spent on administrative expenses:	<u>0%</u>

**Percentage of Organizational funding:**

Religious Organizations	<u>          </u>
Civic Clubs	<u>          </u>
Corporate Donors	<u>          </u>
Endowment/Interest Income	<u>          </u>
Fees for services/products	<u>          </u>
Government Grants	<u>1%</u>
Government Contracts	<u>          </u>
Individual Donors	<u>86%</u>
Private Foundations	<u>          </u>
Special Events (based on net earnings)	<u>          </u>
United Way	<u>8%</u>
Other	<u>5%</u>

**Overall Mission of Agency**

Please provide a one page narrative in 10 or 12 point type describing the mission of your agency. List the client population (income, age, geographic location – percentage of City of Norman residents) and describe all programs and services offered currently by your agency. Include any duplication of services in our area and the percentage increase or decrease projected in staff numbers over previous year.

## **Specific project for which funding is being requested**

Please provide a one page narrative in 10 or 12 point type describing the project for which funds are requested including staff positions, salaries, equipment, office supplies and other expenses. Please address what similar services are available through other local agencies, why this program is unique, how many will benefit and why it would be appropriate for City of Norman funds to be used to support this program.

## **Financial Information**

Please provide a description of internal financial evaluation procedures, control processes and performance review procedure including the percentage increase or decrease of total budget over previous fiscal year budget. Attach previous year budget summary and projected budget to include in kind contributions and budget assumptions. An independent audit (not an internal audit) is required for any organization that has assets, an annual budget or annual income of \$100,000 or more. For an organization below the \$100,000 level, if no audit is available, so state and provide a signed financial statement (signature of the Board Treasurer or the organizations' chief financial officer) for the most recent fiscal year.

## **Required Attachments to this application:**

**Narrative describing Overall Mission of Agency**

**Narrative describing Specific Project for which Funding is being requested**

**Financial Information as previously outlined**

**Budget summary and projected budget**

**Copy of most recent Audit**

**Copy of IRS tax exempt status letter or your application for tax exempt status**

**List of current board members including names and professions**

**List of current staff members and their position titles**

## Overall Mission of Agency

The Salvation Army, founded by Booth in London in 1865, came to the United States in 1880, quickly spreading throughout the country. Since those early days, The Salvation Army has provided physical assistance, counseling, and spiritual aid to those in need. The Salvation Army in Norman was established in 1892, with an organized social services program beginning in 1953. Our shelter program has been in place since 1978, operating from a house at 326 East Frank Street until October 1980, when an expanded facility at our current location was opened (source: The Salvation Army Historical Center, Atlanta, GA).

The mission in Norman continues to be providing services to all who request it. We provide emergency shelter, breakfast and dinner programs to anyone in the community, and showers, hygiene kits, and laundry services to our shelter guests. Our Social Services program offers a food pantry, utility assistance, clothing vouchers, identity recovery services, holiday programs, case management, and much more. Our clientele include all races, ethnicities, and ages. The Salvation Army of Cleveland County provides services and shelter to individuals and families regardless of age, sex, race, and ethnicity. Our shelter program is available to any individual that is homeless in our community. Our social service program does require that clients reside in Cleveland County to qualify for assistance.

While there are other agencies in Norman who provide social service assistance, our shelter program is unique in Cleveland County. The Salvation Army of Cleveland County has been identified by the Cleveland County Continuum of Care as the sole walk-in emergency shelter in the county. We also provide meal service 365 days a year. Other agencies do operate shelter programs, but there are waiting lists of up to one year, and we are the only agency providing meals on Sundays and holidays.

We work hard to collaborate with all Norman agencies to avoid duplication of services. In order to better coordinate with other agencies in our county, we are participating in the new United Way Initiative for The Central System for Intake. This will enable our agencies to work closely together to provide rent and utility assistance to individuals and families in need, and to maximize available funds and services provided. The collaboration within this initiative will help make Norman more competitive for grants such as the Emergency Shelter Grant to possibly enable more funds to flow to Cleveland County. The Salvation Army is a member in good standing of the Cleveland County Continuum of Care. We regularly attend CoC meetings and work with other agencies to meet the needs of the homeless and the disadvantaged population of Cleveland County. Our Director of Social Services is a member of the Continuum Steering Committee and we participate in the Christmas Clearinghouse effort. Additionally, we meet for monthly C-CAN meetings with other directors and agency leaders in the community to coordinate resources and share information. Collaboration is important to us and we make every effort to participate in every coordination opportunity available.

We have expanded our services by hiring a Case Management Specialist who is able to assist with shelter and social service case management, client education, outreach programs and support individual development plans. We look forward to continuing the development of a Getting Ahead in a Just Getting By World program to individuals motivated to write their future story. Class time will include exploring their current situation, understanding how social class impacts, providing opportunities to be mentored and moving forward in life. The Salvation Army of Norman will continue its mission to meet human needs in Jesus' name without discrimination as well as seeking more and more opportunities to educate and help individuals and families leave the cycle of poverty.

## **Project Funding Request**

The Salvation Army of Cleveland County is respectfully requesting \$10,000. to help offset the cost of utilities, supplies and food for our Emergency Shelter Program as well as assist with the incentive and expenses associated with the Getting Ahead in a Just Getting By World program.

In Norman, the Emergency Shelter program focuses on providing basic needs to individuals and families by providing emergency shelter, food, shower, hygiene products and laundry facilities. The guest of the shelter are encouraged to speak with the Social Service Director who can educate them on area homeless services, offer information and referrals to other community resources such as housing, transportation, employment and guide them toward an housing stability plan. The Salvation Army is positioning itself to be agents of change by offering individuals stuck in poverty an opportunity to participate in the Getting Ahead in a Just Getting By World program.

The Emergency Shelter program is offered for a 5 night stay on a first come first serve basis every 30 days. Guest with at least 30 hours of verifiable employment, a financial and housing plan working with the Director or Case Management Specialist will be offered 14 day extensions at a time while they move toward self-sufficiency. Our shelter has 9 beds for men, 6 beds for women and 1 single parent room with 2 beds and several cots. Understanding that Oklahoma endures extreme temperatures, The Salvation Army strives to accommodate more individuals when the temperature dips below 36\* in the Winter or does not cool below 100\* in the Summer. We have 32 cots offered to everyone regardless of how many nights they have stayed in the shelter in the last 30 days. Our guest must be sober and follow the guidelines of conduct. Breakfast and dinner is served 365 days a year, free and open to the community. We provide a day shelter on the weekends for guest to be indoors and out of the elements.

The emergency shelter is the only shelter program in Cleveland County that provides immediate housing for the homeless. Without this program, the City of Norman would deal with more people living on the streets and seeking more emergency health care. The Salvation Army is the only place an individual can get breakfast and dinner every day of the year as well. In 2012, The Salvation Army provided 5480 nights of lodging to our guests. There were also 11,439 meals served to shelter-guests and community members.

The Getting Ahead in a Just Getting By World curriculum was written for people in poverty. This program is a proactive endeavor that The Salvation Army is excited to offer people ready for change. The aim is to provide a safe place for 16 individuals to explore their own lives, consider new information, connect to mentors, and ultimately rewrite their future stories. Candidates are referred and selected based on their readiness for change. A local steering committee made up of community volunteers will secure a meeting site, meals, childcare and a portion of the incentives for the participants. The participants will meet for 20 weeks to learn more about what poverty looks like in the community, develop mental models of what poverty personally looks like, discuss the hidden rules of economic class, determine the resources that are needed for a high quality of life, understand the stages of change, and investigate how to develop resources.

The Getting Ahead in a Just Getting By World program is unique in that it is the only program of its kind in Norman that goes to the root of personal change to address the issue of poverty. We believe this will improve the lives of individuals, families and ultimately improve our community as people move away from dependency on assistance from social service agencies. 16 participants will be selected for the first class. Ultimately, this will impact their household and community.

With your gracious award of \$10,000., The Salvation Army would use the funds to pay water, gas, electric and food bills so that our guest have their basic needs met. Funds would also be used to buy cleaning and maintenance supplies. Finally, funds would be used to buy books, teaching materials, assist participants with obstacles that would keep them from attending, incentives and a graduation reception to those that participate in the Getting Ahead in a Just Getting By World program.

Thank you for your consideration.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **1. General information**

#### **Public Release**

Approval must be obtained from the supervising headquarters before releasing any financial information to non-Salvationists or organizations for public relations or any other purpose except for financial reporting approved in the policies and procedures manual or by territorial directive

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **1. General information**

#### **Maintenance and Protection of Recorded Media**

All official accounting and finance records and other recorded media must be stored in a secure storage space.

All official accounting and finance records and other recorded media are considered to be confidential and are to be maintained to prevent access by unauthorized persons. It is also critical that adequate provision be made to archive data files for security.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **1. General information**

#### **Standards of Stewardship**

The Salvation Army requires all officers, employees and volunteers to maintain the highest standards of accountability for the management and recording of all funds entrusted to the organization from both public and internal sources for ultimate application to the unit program. An equal accountability requirement is expected with regard to the acquisition and maintenance of all properties, furniture, equipment, vehicles and other assets of the corps/unit.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **1. General information**

#### **The Assistant Officer**

The assistant officer must be familiar with and capable of administering the unit program as directed by the corps officer. This includes the preparation of all financial and statistical records and reports.

The corps officer is required to make maximum use of the assistant officers' services. The corps officer is to provide sufficient knowledge, training, and opportunity for the assistant officer to gain experience in every aspect of the corps/unit program, including financial records and reporting.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **1. General information**

#### **Recorded Media maintained by policy**

The following records must be kept on file at the unit for the time period specified in national and or territorial policy, as defined in the national retention of records manual. (Note: It is understood that some of these books and records may or may not be computerized.)

1. Audit Reports (Internal and Independent)
2. Canceled Checks
3. Bank Statements
4. Budget Allocation Records
5. Cartridge Reports
6. Corps/Unit Budgets (Salvation Army or other funding sources)
7. Duplicate Deposit Slips
8. Inventory of Unit Properties
9. Special Appeals Records
10. Subsidiary receipt books
11. Accounts Payable Vouchers

**NOTE:** Each territory should insert reference to policy and procedure minute/directive on the maintenance and retention of records.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **1. General information**

#### **The Corps Officer**

The corps officer has the primary responsibility to the supervising headquarters for:

1. The raising and securing of adequate income to fund the unit program,
2. Taking all necessary steps to safeguard all income received,
3. Spending of funds and resources in conformity with the approved budget
4. Adhering to all existing rules and regulations and the mission of The Salvation Army.
5. Insuring that all accounts and records are in an up-to-date and accurate condition.
6. Insuring that all required reports are prepared and forwarded to the appropriate funding agencies and supervising headquarters.

NOTE: Certain individuals may be charged with responsibilities to carry out duties associated with the management of the corps/unit business. The corps officer may engage employees consistent with Salvation Army regulations and procedures to assist in the keeping and maintaining of the corps/unit accounting books and records. The delegation of authority to other individuals- does not lessen or relieve the corps officer of the ultimate responsibility.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **1. General information**

#### **Rules, regulations and Directives of Procedure**

To provide the maximum measure of protection for The Salvation Army and its officer personnel, local officers and employees, The Salvation Army has devised a system of accounting and reporting. This system contains rules, regulations and directives of procedure. When the system with its rules, regulations and directives of procedures is implemented, practiced and complied with, the goal of protection for The Salvation Army, its officer personnel, local officers and employees will be achieved.

The system includes:

1. Orders and Regulations as Applicable
2. Accounting Guides
3. Guidelines for Functional Accounting Concepts and Program Service Categories
4. Fiscal Policies and Practices Manual
5. Fiscal Procedures Manual
6. National and Territorial Finance and Accounting Minutes
7. National Chart of Accounts

NOTE: *The above list is the minimum National Standard.*

The supervising administration is required to exercise supervision of the fiscal policies and procedures of all programs within its area of responsibility. The corps/unit officer personnel, local officers and employees should recognize that the supervising headquarters is responsible to territorial headquarters for the effective management of all programs, for the maintenance of standards of accountability and integrity which are acceptable to the public and compatible with internal controls established by Salvation Army rules and regulations.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **1. General information**

#### **Audits**

##### **INTERNAL AUDITS**

Periodically the supervising headquarters will conduct internal audits of the corps/unit financial records. Audit reports made as the result of such visits will be processed through the designated channels to territorial headquarters

The purposes of the internal audit are as follows:

1. To ensure compliance with Salvation Army regulations and procedures.
2. To obtain an opinion on the accuracy of financial information presented in the accounting and financial records
3. To protect the corps officer and other responsible individuals.

Upon request of the supervising headquarters or as a routine part of the regular supervising headquarters audit, the territorial audit secretary or his representative may conduct a corps/unit audit.

##### **INDEPENDENT AUDITS**



Where required by external funding sources, and approved by the supervising headquarters, independent auditors may audit and examine the corps/unit books and records. These audits must contain the appropriate nationally approved Footnotes to Audited Financial Statements. These audits will be compiled using the procedures as outlined by territorial and divisional Headquarters.

**(NOTE: Reference should be made of the Territorial minute or directive covering these footnotes)**

All independent audit reports must be reviewed and endorsed by the supervising headquarters before they are issued. If during the course of the audit, the independent auditor expresses concerns about any particular policy or transaction, they should be referred to the supervising headquarters for further review.

When an independent auditor is engaged for the first time, the report must be submitted through the supervising headquarters to the Territorial Audit Secretary before it is released to the public.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **2. Principal Features of the Unit Computerized Accounting System**

#### **Accrual Accounting**

The primary basis for the computerized system of accounting is to provide full accrual accounting at the unit level.

Accrual accounting is the method of recognizing sources of revenue as services are rendered independent of the time when payment is received. Expenses are recognized in the period when they are incurred independent of the time when cash is paid out. In accrual accounting the accounting event is recognized independent of the cash transaction.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **2. Principal Features of the Unit Computerized Accounting System**

#### **Account Classifications/Chart of accounts**

Accounts (asset, liability, net assets, revenue or expense) are classified in such a manner as to assist in the production of useable reports for internal purposes and- to external users.

Each territory will include in its account classification/chart of accounts the nationally approved object codes. Each territory has the liberty to develop its full chart of accounts in accordance with its computerized system of accounting.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **2. Principal Features of the Unit Computerized Accounting System**

#### **Accounting Periods**

The reporting week will include and end with Sunday activities with the exception of the final week of the month, which is extended to the last day of the month.

The month's business will end on the last day of the month. If the last day of the month is a Sunday, the actual accounting entries would be completed on the Monday following.

The annual fiscal year is normally from October 1 to September 30.

**NOTE:**

At territorial discretion, and where external funding sources require units may be given approval for year end accounting periods to be other than the September Fiscal closing period. However, when this is done, it is understood that for Divisional and Territorial purposes adjustments will need to be made to ascertain that the financial figures are as of September 30th.

**TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

**2. Principal Features of the Unit Computerized Accounting System**

**Minimum standard of Accounting/Financial Reports**

INCOME RECORD. CASH RECEIPTS JOURNAL [Notes Link](#)

ACCOUNTS RECEIVABLE JOURNAL [Notes Link](#)

EXPENDITURE RECORD - CASH DISBURSEMENTS JOURNAL [Notes Link](#)

ACCOUNTS PAYABLE JOURNAL [Notes Link](#)

ADJUSTING JOURNAL REGISTER [Notes Link](#)

GENERAL LEDGER [Notes Link](#)

BUDGET COMPARISON REPORT [Notes Link](#)

**NOTE** [Notes Link](#)

**INCOME RECORD. CASH RECEIPTS JOURNAL**

This system must provide a Cash Receipts Journal. This journal must provide for the date, receipt number in consecutive order, name of remitter, purpose for which given, and the amount. The amount must be coded to the proper income classification. There needs to be the ability to properly reconcile the entries into this journal with the monthly bank statement.

**ACCOUNTS RECEIVABLE JOURNAL**

This system must be capable of providing for the recording of income that is due to the operating unit through the account receivable journal. The establishing of an account receivable is the process of identifying obligations owed to the unit and recording of those payments when received.

**EXPENDITURE RECORD - CASH DISBURSEMENTS JOURNAL**

This system must provide for a Cash Disbursements Journal, otherwise known as the check register. The journal must provide for the date, check number (in numerical sequence), name of the Payee, explanation of the expense, and amount. The amounts must be coded to the proper expense classification. This journal must be capable of being reconciled to the monthly bank statement.

**ACCOUNTS PAYABLE JOURNAL**

This system must be capable of providing the ability to record all liabilities/expenses as incurred through the accounts payable journal. The accounts payable journal records all of the financial obligations of the unit. It may be used to reflect a future liability that has not yet been paid but the unit has been informed of the debt.

#### ADJUSTING JOURNAL REGISTER

Adjusting journals are used to correct errors in posting. Journals are also used to record donated services/gifts in kind and other non-cash transactions. These journals must be numbered sequentially and signed by the individual preparing the journal and the corps officer. Supporting documentation must be attached to these entries.

#### GENERAL LEDGER

This system must be capable of producing a detailed general ledger, which will record all of the accounting entries made for a specified period of time. This ledger groups the financial information by functional unit and the information appears in a logical sequence, normally account number.

#### BUDGET COMPARISON REPORT

The system must be capable of producing a budget comparison on demand and for a specific period of time. This report will display both the current accounting period and year to date activity allowing the budgeted amount to be compared to the actual financial experience.

#### NOTE:

*This listing is not intended to be inclusive of all reports but rather the minimal reports required for the accounting system.*

### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

#### **2. Principal Features of the Unit Computerized Accounting System**

#### **Other Reports and Records**

In addition to the accounting reports previously mentioned, the following subsidiary and supporting records represent an integral part of the unit accounting system and must be maintained in accordance with detailed explanations and instructions as provided by the territory.

BOARD DESIGNATED GROUP FUNDS [Notes Link](#)  
GIFTS - IN - KIND RECORD [Notes Link](#)  
DONATED SERVICES RECORD [Notes Link](#)  
INVENTORY OF FURNISHING AND EQUIPMENT [Notes Link](#)  
SOLDIERS' WEEKLY CONTRIBUTION RECORD [Notes Link](#)

#### BOARD DESIGNATED GROUP FUNDS

There is provision in the computerized accounting system for the establishing of separate funds or companies for the reporting of board designated group activities. At territorial discretion separate bank accounts may be established for board designated groups.

## GIFTS - IN - KIND RECORD

Provision must be made for the recording and the accounting for gifts- in- kind. Gifts in kind should be recorded on a monthly basis as provided for in the chart of accounts. The values assigned must be in accordance with the National minute. Monthly the record must be totaled and the monthly totals entered as income in account (#4052) Restricted Donations Gifts-in kind, and the appropriate expense account charged.

## DONATED SERVICES RECORD

Donated services must be recorded at their fair market value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. This entry should be made to account (#4052) Restricted Donations/Gifts-in-kind. In addition, the appropriate value of the donated services of individuals which are recorded as an expense when such services qualify for cost reimbursement from third party providers, should be entered in this account. An equal amount should be entered into the salary or professional fee account affected by the service.

## INVENTORY OF FURNISHING AND EQUIPMENT

All Salvation Army owned items of furniture, equipment, band instruments, etc, of significant value located in any owned or rented property must be listed on an appropriate inventory form. This is vital for insurance and accounting purposes as well as for adequate control and safekeeping of Salvation Army property. The inventory list should also include all leased or rented equipment.

The inventory lists are to be reviewed and updated annually.

The farewelling officer must leave a complete and up-to-date inventory record prior to departure from the unit. As soon as possible after arrival at the new appointment the officer should be satisfied that the inventory is accurate and complete.

When any approved disposition of equipment by transfer, sale, exchange, or discard is made explanatory notations must be made on the inventory record.

NOTE: No furniture or equipment may be purchased from, sold to, or given to an officer or his family without written approval of the supervising headquarters.  
Reference should be made to the territorial minute covering this matter.

A copy of the annual revised unit inventory is to be filed with the supervising headquarters.

## SOLDIERS' WEEKLY CONTRIBUTION RECORD

The names and addresses of each soldier, recruit or friend making a general contribution through the cartridge envelope or contributing to the World Services/Harvest Festival or other approved efforts through the cartridge envelope must be recorded in the weekly contributions report. Detailed amounts are to be entered weekly and the totals must agree with the Cartridge or World Services income recorded in the cash receipts journal for any given week.

Each soldier and contributor through the cartridge system will receive on a quarterly or at the minimum on an annual basis a record of their contributions.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **3. Banking Procedures**

#### **Powers of attorney**

Bank accounts, for whatever purpose, may not be opened, except upon the issuance of an official board resolution or power of attorney by the supervising headquarters on behalf of the board of trustees/directors.

This applies to all accounts established on behalf of, or for the purpose of, furthering the Salvation Army program. The name "The Salvation Army" must be included in the title of all accounts. This includes women's auxiliaries, home leagues, and all other subsidiary accounts.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **3. Banking Procedures**

#### **Signatures and Countersignatures**

All Salvation Army accounts require two signatures.

The power of attorney is designated as the principal agent for the unit operating account. No unit account can be opened or maintained without a duly designated countersignature. The corps treasurer should be the designee, but in the absence of a commissioned treasurer, some other person will be designated as the counter-signer upon approval by the supervising headquarters. The counter-signer cannot be related by birth or by marriage to the officer who has been designated as power of attorney.

Requests for powers of attorney or any change in signatures for all bank accounts must be submitted on official forms provided by the supervising headquarters for that purpose.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **3. Banking Procedures**

#### **Depositing and Withdrawal of Funds**

All funds given to, or received by, the corps/unit for Salvation Army purposes of whatever character must be promptly and fully deposited in a properly authorized bank account. All check endorsements must clearly indicate "for deposit only to The Salvation Army account."

All expenditures must be supported by satisfactory vouchers or expense data.

All income is to be promptly deposited in the bank.

When sizable amounts of cash are received daily, it is important to make deposits more frequently than once a week.

In most instances, a daily deposit is necessary. Use should be made of night depository facilities where circumstances warrant it. All income must be deposited in the exact form in which it is received. Coins should not be changed into bills, or vice versa, nor should any checks be cashed out of income before it is deposited. Undeposited income must not be used for petty cash purposes.

A duplicate or carbon copy of the bank deposit slip must be completed, stamped by the teller, and retained. All deposited checks must be listed on the deposit slip or some other supporting document.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **4. Handling of Income**

### **Safeguarding Cash**

After funds have been counted in accordance with proper procedure, they should be held in a secure safe pending deposit in the bank. Employees, local officers or any other individual must not hold funds overnight or longer if that circumstance can be avoided.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **4. Handling of Income**

### **Counting of Cash**

Cash income from any source must be counted on a timely basis. All cash should be counted by a minimum of two individuals. Preferably the individual who has collected the money plus one other individual should do this counting at the time the monies are turned over to The Salvation Army.

Receipts should be issued as soon as possible for all cash donations.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **4. Handling of Income**

### **Receipts**

The cash receipts journal of the accounting system is the record of original entry for all sources of income. The required information is to be recorded for all income received. Receipts must be accounted for in numerical sequence. If a receipt is erroneously written or not used, it must be marked "cancelled" or "void" and recorded in the cash receipts journal. The corps officer or other responsible personnel must take all necessary precautions to protect unused receipts against theft, forgery, or other misuse.

Individual receipts must be issued for all sources of income, made out in favor of the donor or the person, organization or firm turning funds over to The Salvation Army for whatever purposes.

*Internal Revenue Code requires that a written receipt or acknowledgement must be issued for all contributions exceeding a specific dollar threshold. Current IRS guidelines should be reviewed to determine the dollar threshold. A written receipt or acknowledgement must include this statement, "The Salvation Army has not provided goods or services to the donor in consideration of this contribution.*

*Internal Revenue Code stipulates that in cases where the charity has provided goods or services to the donor in exchange for making a "quid pro quo" contribution in excess of a specific dollar threshold. IRS guidelines should be reviewed to determine the threshold. A contemporaneous written receipt or acknowledgement must:*

1. *inform the donor that the amount of the contribution that is deductible for Federal Income tax purposes is limited to the excess of the amount of the contribution over the value of the goods and services provided by the organization and*
2. *include a good faith estimate of the value of such goods and services. Failure to make the disclosures required will result in a penalty to the Salvation Army.*

SPECIAL APPEALS RECEIPTING Notes Link  
ANNUAL MAINTENANCE AND/OR CAPITAL CAMPAIGN RECEIPTING Notes Link

## SPECIAL APPEALS RECEIPTING

If approved by the supervising headquarters a separate subsidiary receipt book, or computerized register/journal may be maintained for special appeals. When approved, the subsidiary receipt record must be maintained in a manner that each deposit for the special appeals can be reconciled to the subsidiary ledger. The subsidiary ledger should be ruled off at the point of the deposit and a covering receipt in the unit operating cash receipts journal must be issued. This receipt will be filed in the subsidiary receipt record opposite the deposit affected.

*NOTE: Within each territory there may be a computerized system for the receipting of Special Appeals income, that being the case, the corps officer needs to be guided by the procedures in effect in the territory.*

A donors register must be maintained for all such donations. It is essential that assistance be obtained from the supervising headquarters in order to develop an adequate method of keeping the information on donors.

## ANNUAL MAINTENANCE AND/OR CAPITAL CAMPAIGN RECEIPTING

### ANNUAL MAINTENANCE ACCOUNTS

Where Annual Maintenance Accounts are in effect the following guidelines are to be followed:

- A separate receipting system for annual maintenance bank accounts may be used. All contributions or donations are to be recorded in this account.
- Duplicate deposit slips, itemizing all checks received should be attached to the bank statement covering these special accounts.
- This account is established so that orderly allocations can be made, as scheduled, to the regular corps/unit bank account, with reserve balances being temporarily retained in the annual account.
- Loans, notes, etc., may not be taken for- any- purposes without having been authorized by and processed with territorial headquarters.

*NOTE: Only duly appointed officers of the corporate body of The Salvation Army (the board of trustees/directors) are legally authorized to borrow money in the name of The Salvation Army.*

### CAPITAL CAMPAIGN ACCOUNTS

Capital Campaign accounts can be established with the approval of the supervising headquarters for the purpose of accounting for the funds raised from a capital campaign effort.

*NOTE: It is possible that within a territory a computerized system is in effect, or the fund raising firm may have its own system, however, the following general guidelines must be adhered to:*

- All donated stocks and bonds are to be transmitted immediately to the supervising headquarters for corporate action, with proceeds to be credited to the capital campaign account.
- All legacy monies received during the campaign are to be sent to the supervising headquarters upon receipt and *not deposited into the capital campaign account.*

*NOTE: No unit, advisory board, or supervising headquarters is permitted to arrange for the investment of funds resulting from a Capital Campaign.*

- This account is to remain open only during the time of the capital campaign and is to be closed when the campaign is finalized.
- Periodic reports are to be made in connection with the capital campaign to the supervising headquarters.
- Independent campaign personnel may be employed for the duration of the campaign, as authorized by the territorial administration. No written or verbal agreement with a campaign fund-raising organization or individuals is to be made without the supervising headquarters approval.
- A carefully detailed donors' record must be established and maintained with the provision of recording unpaid pledges so that they can be followed up for systematic collection.
- Subscription cards, lists, and other campaign account data should be carefully filed for subsequent audit examination.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **5. Disbursements**

#### **Withdrawals**

Ours is an electronic age and banking services as well as current banking laws reflect this. These electronic withdrawal services may include, but are not limited to, the following: check imaging, on-line account access, positive pay, electronic funds transfers (via ACH and wire transfers), check sorting, etc. Proper internal controls must be kept in place if any of these special services are utilized. In order to take advantage of these services to improve the timeliness, efficiency and security of banking transactions, approval must be secured through the appropriate Command Headquarters.

Disbursement of funds may be made by approved electronic withdrawal services or checks drawn upon the officially established unit bank account.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **5. Disbursements**

#### **Limits of Authority**



The officer personnel -needs to be familiar with the minutes/directives issued by the territory which limit the spending authority of the officer.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **5. Disbursements**

### **Depreciation of Buildings**

Salvation Army national policy provides for the recognition of depreciation on buildings based on estimated lives.

It is necessary that each unit be aware that there are procedures to properly account for the building asset and the depreciation in accordance with territorial guidelines.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **5. Disbursements**

### **Depreciation Furnishings and Equipment**

Salvation Army national policy provides for recognition of capitalizing certain assets (including vehicles) with a value in excess of \$10,000. It is to be noted that there may be circumstances where this threshold is lowered by a third party provider.

It is necessary that each unit be aware that there are procedures to properly account for the asset and the depreciation.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **5. Disbursements**

### **Regulation Expenditures**

Certain expenditures are subject to specific limitations as to amounts and/or type of expense. The corps officer should be thoroughly familiar with the finance minutes and directives of the territory and be guided accordingly. Salvation Army funds must never be used for personal purposes. Any anticipation of an unusual expenditure can and should be reviewed beforehand with the supervising headquarters.

All corps/units are expected to operate within the limitations of the approved budget. Expenditures, therefore, should be incurred only in accordance with the budget provisions and only if the anticipated resources have been realized.

#### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

##### **5. Disbursements**

### **Voucher Data**

All expenditure must have supporting documentation. This would normally be in the form of an invoice, bill or other request for payment. These vouchers must be filed in numerical order, using the officially recognized voucher system of the territory for this purpose.

Purchases of any type must be supported by original invoices or sales slips issued by the seller, clearly detailing quantities, type of goods purchased or services rendered, and the amounts. Monthly statements, if submitted to The Salvation Army, are not acceptable as supporting documentation.

Invoices rendered by creditors for sales made to The Salvation Army or for services rendered to The Salvation Army need not be returned to be receipted when paid by check. The invoice should be retained for filing with the canceled check.

Telephone bills should have the detailed list of calls made attached to them and these should indicate which calls are personal and which are official. Personal calls, including excise taxes, must be paid personally and promptly as a refund to the unit.

Vouchers for welfare orders or relief supplies or cash grants must in every case indicate the name of the client (or clients) for whom the vouchers were issued and be signed by the receiving individuals. Adequate case records should be on file covering all welfare beneficiaries.

Salary and wage payments should be computed and recorded in accordance with the payroll system in effect in the territory

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **5. Disbursements**

#### **Checks**

Checks must be issued and accounted for in consecutive, numerical, and chronological sequence and promptly released to the payee upon issuance. It is not permitted to draw checks and withhold them from release because of low balances in order to permit later check payments to be made that may be considered more urgent. It is equally irregular to release checks in anticipation of income. Overdrawn bank accounts discredit The Salvation Army and the corps officer.

The cash disbursement journal is the official accounting record of checks issued.

The remittance section of the check entry should have information sufficient to identify the payment. The remittance section of the check should remain attached to the check when released to the payee.

All checks should be completely filled out, indicating the name of the payee and the correct amount, before being signed by the power of attorney and the countersigner. Departure from this procedure is in violation of good accounting standards and practices.

Checks should always be made payable to a specific person or organization, not to "cash," "petty cash," "payroll," etc.

Erasures or alterations should not appear on completed checks. If an error is made or the check is otherwise spoiled in some manner, it should be marked "void" so that there will be no possibility of it being used inadvertently or intentionally by someone else.

The corps officer must take necessary precautions to protect unused checks against theft, forgery, or other misuse. Locked storage facilities are essential.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **5. Disbursements**

#### **Annual Maintenance and/or Capital Campaign Accounts**

##### **ANNUAL MAINTENANCE ACCOUNTS**

All disbursements for annual maintenance campaign purposes should be paid from the corps/unit operating accounts following the allocations from the annual maintenance account to the operating account.

No campaign or other expense items should be paid directly from the Annual Maintenance account. This account is established so that orderly allocations can be made, as scheduled, to the unit operating account, with certain reserve balances being temporarily retained in the annual maintenance account.

##### **CAPITAL CAMPAIGN ACCOUNT DISBURSEMENTS**

Only the direct campaign and other related costs are to be paid from the capital campaign account. No capital purchases are allowed from the capital campaign account. No construction costs are to be paid from this account. These expenses will be made from the Purchase and Construction account at the supervising headquarters.

Proceeds from capital campaigns should be forwarded to the supervising headquarters periodically and at the conclusion of the campaign, for investment and/or disbursement for the approved capital project.

The supervising headquarters is required to compile and maintain all purchase and construction accounts.

It is essential that all capital funds be accounted for at the supervising headquarters unless otherwise approved by territorial headquarters.

Outside campaign personnel may be employed for the duration of the campaign, as authorized by the supervising headquarters.

*NOTE: No unit, advisory board, or supervising headquarters is permitted to arrange for the investment of Salvation Army funds*

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **6. Petty Cash Fund**

#### **Petty Cash Fund Provision**

Provision is made for a petty cash fund; thus it is improper and unacceptable to use any undeposited income for any purpose.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **6. Petty Cash Fund**

## **Establishing of Petty Cash Fund**

The petty cash fund is established by the preparation and cashing of a check payable to the corps officer or other approved personnel. The amount should be sufficient to provide for normal weekly requirements. The fund may be temporarily increased with the approval of the supervising headquarters. This may occur during the Christmas season or other periods of larger expenditures than normal.

Original checks to establish the fund or an additional check to increase the petty cash fund should be listed in proper sequence in the check register and coded (debited) to the Petty Cash account (#1004).

The redeposit of all or part of the petty cash fund should be covered by an official unit receipt and a separate deposit slip prepared for this item. The receipt and deposit items will then be listed in proper sequence in the receipt register and credited to the Petty Cash account (#1004).

### **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE** **6. Petty Cash Fund**

#### **Operating the Petty Cash Fund**

Every corps/unit should use a petty cash fund to pay small routine or incidental expenses. If it is expedient, the corps officer may (with the approval of the supervising headquarters) permit an officially recognized individual to have petty cash custodial responsibility.

Petty cash items must be supported by original receipted sales slips or vouchers secured at the time the expense is incurred.

Personal expense vouchers reimbursed from petty cash for traveling, official meals, etc., are to be fully described on the approved voucher forms. When official guests are entertained, their name should be provided, the date of the visit, the reason for the visit as well as the nature of the expense.

Periodically, usually weekly, the vouchers should be totaled and unit check issued in favor of the officer or appropriate individual.

When the petty cash reimbursement check is issued, the check must not exceed the total amount of the petty cash fund. The total amount of the vouchers should be charged (debited) to the appropriate expense accounts. Do not post the amount of the check to account (#1004) Petty Cash except as indicated for establishing a new petty cash fund, increasing the amount or re-depositing of the petty cash at the time of officer's farewell or employees' termination.

This check should be endorsed and cashed at the bank, (not out of income) and the cash so received shall replenish the petty cash fund to its original fixed amount.

At any given time the vouchers, plus the cash on hand, should agree in total with the amount of the recorded petty cash fund.

A locked cash box, suitably protected, should be used to hold the petty cash and the cash disbursement vouchers.

Individual responsibility for petty cash funds should be maintained at all times. Two or more persons should not have access to the same petty cash fund. If an employee is made responsible for all or part of the petty cash, he/she should keep the cash and vouchers in a separate locked box to which he/she alone has access. The employee is accountable to the corps officer for the petty cash entrusted to him/her.

When the officer farewells or an employee with petty cash responsibility terminates all petty cash expenditures should be reimbursed by a unit check, and the full amount of the petty cash is to be re-deposited into the unit bank account. The Petty Cash fund account (#1004) should be credited. The incoming officer will then re-establish the fund according to procedures outlined previously.

Where official expenses are substantial and are paid for by personal funds, reimbursement to the individual should be made by check rather than through the petty cash fund.

**TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**  
**7. End of Month/Year Procedures**

**End of Month Reporting**

The corps officer and other responsible individuals must determine that the end of month processing and reporting are completed on a timely basis. Reports from the system are to be reviewed on a timely basis and appropriate action take place to ascertain that these reports are accurate and complete. Cash disbursement and receipts register, General Ledger and Budget Comparisons are to be reviewed by appropriate personnel

**TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**  
**7. End of Month/Year Procedures**

**Closing Statement**

At the end of the fiscal/calendar year, some corps/units will have need to prepare closing statements as detailed in *The Salvation Army Manual of Fiscal Policies and Practices*. In these instances close cooperation with the supervising headquarters is necessary to complete these statements which are the basis for complying with the AICPA standards for not-for-profit organizations.

**TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**  
**7. End of Month/Year Procedures**

**Fund on Deposit Operating Net Assets**

The Salvation Army's fiscal policies and practices require that funds on deposit at either DHQ or THQ be accounted for according to the *AICPA Audit and Accounting Guide – Not-for-Profit Organizations*.

When such funds are deposited at the supervising headquarters, the assets will be debited by check to account #1101 Unrestricted operating deposits –THQ/DHQ in the corps/unit ledger. In all external financial reports such funds will not be "expensed" but treated as an asset, and be included as a part of the fund cash balance.

Reserve funds may be withdrawn upon request to the supervising headquarters. When funds are returned to the unit, they will be credited to account #1101 Unrestricted Operating Deposits at DHQ/THQ. No support service will be charged on reserve funds when returned to the corps/unit; in as much as such payments were assessed when the funds were initially received by the corps/unit.

Expenditures made from the returned reserve fund will be charged to the appropriate expense account, complying with the accounting principle that only actual expenses be charged to an expense account and charged only one time.

Interest earned on funds deposited in this manner should be entered by journal into the unit accounts. The amount of interest should be debited to account # 1101 – Unrestricted –Operating Deposits at DHQ/THQ and credit account #6801 – Interest Income. All interest earned is subject to support service except as excluded by territorial policy.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **7. End of Month/Year Procedures**

#### **Reports to Supervising Headquarters**

The corps officer is responsible to see that all reports produced by the system which are required by the supervising headquarters are promptly submitted at both the end of the month and at the end of the fiscal or calendar period.

REMITTANCES TO SUPERVISING HEADQUARTERS [Notes Link](#)  
END OF MONTH FINANCIAL REPORT [Notes Link](#)  
STATEMENT OF UNPAID ACCOUNTS [Notes Link](#)  
BANK RECONCILIATION [Notes Link](#)

#### **REMITTANCES TO SUPERVISING HEADQUARTERS**

The reporting unit must complete the approved remittance transmittal form and forward this to the supervising headquarters based on the approved schedule of the Territory/Supervising Headquarters. This is normally on a weekly basis, however, in some instances this may be approved on a monthly basis. The transmittal form along with a check or checks must be remitted on a timely basis. If prepared on a weekly basis the transmittal form should be mailed in time to reach the supervising headquarters no later than the Wednesday following the close of each week. (Sunday) The final remittance transmittal form and check or checks for the month should not be held pending the completion of the monthly totals, the preparation of the monthly report, bank reconciliation, etc., but should be processed within three business days after the last day of the month. The completion of this transmittal form will be in accordance with directions supplied by each territory within its- accounting system manuals.

#### **END OF MONTH FINANCIAL REPORT**

The month-end finance report to supervising headquarters must be prepared and submitted in accordance with the instructions and procedures applicable to the accounting system in effect. This report should be submitted not later than five business days following receipt of the monthly bank statement.

## STATEMENT OF UNPAID ACCOUNTS

Under the computerized system of accounting it is expected that full accrual accounting will be implemented. In so doing, it is expected that all invoices will be entered into the accounting system when received. This process will provide for the availability of a listing of all unpaid accounts at the end of each month. A copy of this listing must accompany the end of month financial report to the supervising headquarters.

## BANK RECONCILIATION

The bank account or accounts of the corps/unit must be reconciled with the balances shown in the general ledger cash account (#1001). This must be done on a monthly basis each time the bank statement is received.

The bank statement should be carefully checked and all deposits identified. Each check cleared by the bank must agree with the cash disbursement journal. The bank may make occasional errors. All irregularities must be promptly brought to the attention of the bank.

The corps officer and or the appropriate personnel must be thoroughly familiar with the bank reconciliation procedures for the system.

The approved bank reconciliation form must be completed and submitted as part of the month end reporting to the supervising headquarters.

Cancelled checks must be retained in either numerical sequence or attached to the appropriate voucher jacket. Every effort needs to be made to have the bank return cancelled checks in some manner. However, if this is not possible, an exception must be obtained from the supervising headquarters. In every instance, the bank must provide some documentation that will substantiate that the check has been cashed and a copy of its endorsement.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **7. End of Month/Year Procedures**

#### **Bank Reconciliations**

All bank accounts must be reconciled to the accounting system's general ledger cash accounts upon receipt of the bank statements each month. The reconciliation should be completed within fifteen business days of receiving the bank statement.

Wherever possible, segregation of responsibilities should be maintained in the reconciliation process so that the person performing the bank

reconciliation does not also have direct responsibility for income or expense accounting. The person completing the bank reconciliation should date and sign the completed reconciliation as well as the person responsible for oversight of the operations (Commanding Officer, Administrator, Financial Secretary/Director of Finance, etc.). All bank reconciliations must be available for auditing.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **8. Unit Budget**

## **Preface**

All corps/units are expected to operate within the scope of an annual budget approved by the supervising headquarters. The budget should include the anticipated maintenance or operating requirements for all items of income and expense for the budget year.

The annual operating fiscal period (budget year) will be October 1 through September 30, except when permission is granted by the supervising headquarters to conform to local/federal funding reporting requirements.

A standardized budget form, harmonizing with the accounting system will be in effect for all operating units.

A duplicate copy of the approved budget will be filed at the respective supervising headquarters.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **8. Unit Budget**

#### **Approval/Endorsement/Signatures**

The accepted methods of procedure for preparing and presenting the corps budget must be followed. The principal points are:

1. Local officers should be consulted regarding their responsibility to either the total corps/unit operating program or some individual group or department within the corps/unit.
2. Advisory board/counsel budget committee should be consulted and should endorse the proposed budget, whether it be for operating, annual maintenance campaign purposes or for presentation to the United Way.
3. The budgets should be reviewed and endorsed by the Corps Council
4. The supervising headquarters finance board must approve the budget proposal before its acceptance for the annual maintenance campaign or prior to its presentation to the United Way or other funding sources. It may be advisable to have a supervising headquarters representative present when the unit budget is presented to the United Way, as any revision of the budget must be approved by the supervising headquarters.
5. The budget form must contain the signatures of the responsible individuals who give their endorsement to the budget proposal. These include the corps officer, local officer and advisory board/counsel representative whose signatures are required. The supervising headquarters finance board stamp will indicate approval at that level.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **9. Payroll Requirements**

#### **First Requirements**



Before employing any person, the corps/unit corps officer must first secure the written approval of the supervising headquarters. The corps officer must supply the supervising headquarters with the required information to satisfy all taxing authorities. At a minimum, this information should include the following: name, address, Social Security number, exemption status of the employee, the conditions of employment and rate of pay.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **9. Payroll Requirements**

#### **Preface**

The corps/unit officer is required to see that reporting for payroll purposes is completed on a timely and accurate basis.

Most territories and/or divisions have implemented centralized payroll systems. It is important that the corps officer and the appropriate responsible personnel be fully aware of the procedures and processes necessary to comply with all taxing authorities.

Centralized payroll systems at any level provide a high degree of efficiency and cost economy, however, the corps/unit officer must still accept the basic responsibility to ascertain that the payroll for his/her corps/unit is correct.

## **TAB 5A - CORPS COMMUNITY CENTER AND OTHER UNITS ACCOUNTING GUIDE**

### **9. Payroll Requirements**

#### **Required forms**

##### **I-9'S**

Form I-9 must be completed for each employee. The form I-9 should be completed after an employee has been offered a position and before they begin work. The I-9 form should not be kept with the employee personnel file. I-9's should be kept together in a separate file. They should be retained for either one year after the individual terminates their employment or three years after they were hired, whichever ever is longer.

##### **W-4'S, W-9'S-W-5**

All employees must complete a W-4 form.

When a non-employee is paid \$600.00 or more in a calendar year, it is necessary to secure their tax payer identification number on form W-9

##### **W-5**

Employees may also request payment of their Earned Income Credit through their paycheck by filing a W-5 form.

##### **W-2'S & 1099'S**

At the end of the calendar year, W-2's must be issued for all employees and 1099's must be issued for all non-employees receiving compensation over the IRS authorized threshold.

**NOTE:**

**It is necessary that the corps officer and those responsible for the handling and processing of payroll information and data be totally familiar with the minutes/directives of the territory relating to employees. Also, there must be working knowledge of the approved computerized payroll system.**



DOING  
THE MOST  
GOOD™

ARKANSAS & OKLAHOMA DIVISION  
CORPS COMMUNITY CENTER BUDGET  
**NORMAN CORPS**

	ACTUALS YEAR ENDING 2011	ACTUALS YEAR ENDING 2012	CURRENT YEAR REVISED BUDGET 2013	PROPOSED BUDGET YEAR ENDING 2014
TOTAL EXPENSE	\$ 557,584	\$ 633,410	\$ 680,065	\$ 684,269
TOTAL INCOME <i>(before UW Appropriations)</i>	\$ 560,341	\$ 603,050	\$ 605,065	\$ 629,269
APPROPRIATION - UNITED WAY	\$ 41,175	\$ 51,525	\$ 75,000	\$ 55,000
SURPLUS/(DEFICIT)	\$ 43,932	\$ 21,165	\$ -	\$ -

ENDORSEMENTS:

*Advisory Board*

*Commanding Officer*

*Local Officer*

*Divisional Finance Board*

**CORPS COMMUNITY CENTER BUDGET  
NORMAN CORPS**

INCOME		Actuals Year Ending 2011	Actuals Year Ending 2012	Current Year Revised Budget 2013	Proposed Budget Year Ending 2014
4001	Unrestricted Donations	\$ 36,294	\$ 30,984	\$ 41,075	\$ 38,600
4002	Seasonal Donations	\$ 343,755	\$ 399,070	\$ 383,690	\$ 428,294
4003	Meeting Collections	\$ 1,289	\$ 1,619	\$ 1,500	\$ 1,500
4004	Cartridges	\$ 9,196	\$ 6,652	\$ 8,000	\$ 8,000
4005	World Services	\$ 289	\$ 544	\$ 500	\$ 600
4006	Harvest Festival	\$ -	\$ -	\$ -	\$ -
4012	Restricted Donations	\$ 100	\$ 100	\$ -	\$ -
4050	Gifts in Kind	\$ 107,625	\$ 121,244	\$ 122,000	\$ 115,500
4055	Contributed Services	\$ -	\$ -	\$ -	\$ -
4201	Special Fund Raising	\$ 25	\$ -	\$ -	\$ -
4601	Thrift Store Appropriations	\$ -	\$ -	\$ -	\$ -
46XX	Associated Organizations	\$ 16,555	\$ 23,116	\$ 19,500	\$ 20,000
4628	THQ - Unrestricted Lim/Loc - P07	\$ 20,500	\$ -	\$ -	\$ -
5001	Public Funds	\$ 23,639	\$ 8,975	\$ 28,000	\$ 16,000
6001	Membership Dues	\$ -	\$ 34	\$ -	\$ -
6201	Program Service Fees	\$ 310	\$ 63	\$ -	\$ -
6401	War Cry Sales	\$ -	\$ -	\$ -	\$ -
6402	Thrift Store Sales	\$ -	\$ -	\$ -	\$ -
6403	Vending Sales	\$ -	\$ -	\$ -	\$ -
6610	Unrestricted Funds	\$ -	\$ -	\$ -	\$ -
6801	Interest Income	\$ 764	\$ 823	\$ 800	\$ 775
6901	Sundry Income	\$ -	\$ 9,826	\$ -	\$ -
	<b>Total Income (before UW Appropriation)</b>	<b>\$ 560,341</b>	<b>\$ 603,050</b>	<b>\$ 605,065</b>	<b>\$ 629,269</b>
4701	Appropriation from United Way	\$ 41,175	\$ 51,525	\$ 75,000	\$ 55,000
	<b>Total Income</b>	<b>\$ 601,516</b>	<b>\$ 654,575</b>	<b>\$ 680,065</b>	<b>\$ 684,269</b>

# CORPS COMMUNITY CENTER BUDGET

## NORMAN CORPS

EXPENSE		Actuals Year Ending 2011	Actuals Year Ending 2012	Current Year Revised Budget 2013	Proposed Budget Year Ending 2014
7001	Officers' Allowance	\$ 33,516	\$ 22,674	\$ 32,480	\$ 33,040
7002	Salaries - Exempt	\$ 18,182	\$ 55,106	\$ 55,043	\$ 55,003
7003	Salaries - Non Exempt	\$ 67,633	\$ 54,104	\$ 63,470	\$ 70,295
7004	Salaries - Temporary / Seasonal	\$ 12,476	\$ 39,353	\$ 39,942	\$ 43,770
7101	Life/Accident Insurance - Officers	\$ (5)	\$ 102	\$ 102	\$ 102
7102	Life/Accident Insurance - Employees	\$ (639)	\$ 96	\$ 276	\$ 276
7103	Medical & Healthcare - Employee	\$ 8,964	\$ 14,991	\$ 17,906	\$ 22,291
7104	Pension & Retirement - Employee	\$ 2,199	\$ 2,204	\$ 3,515	\$ 3,515
7108	Healthcare - Officer	\$ 8,304	\$ 5,148	\$ 5,148	\$ 6,228
7109	Retirement - Officer	\$ 3,000	\$ 1,500	\$ 1,500	\$ 3,000
7112	Disability Insurance - Employee	\$ -	\$ -	\$ -	\$ -
7201	FICA - SA Portion	\$ 7,388	\$ 11,116	\$ 12,122	\$ 12,933
7202	Unemployment Compensation Ins.	\$ -	\$ -	\$ -	\$ -
7203	Workers Compensation Ins.	\$ 4,143	\$ 3,226	\$ 5,997	\$ 6,346
7205	Other Payroll Taxes	\$ -	\$ -	\$ -	\$ -
8001	Professional Fees & Expenses	\$ 16,110	\$ 851	\$ 1,600	\$ 1,550
8003	Legal Fees	\$ -	\$ -	\$ -	\$ -
8008	Audit Fees	\$ -	\$ 4,908	\$ 5,850	\$ 5,000
8009	Data Processing Fees	\$ 3,790	\$ 7,153	\$ 2,600	\$ 3,200
8101	Medical Supplies	\$ 2	\$ 102	\$ -	\$ -
8102	Uniforms	\$ 607	\$ 1,696	\$ 650	\$ 450
8103	Educ. / Recreation / Craft Supplies	\$ 5,416	\$ 8,078	\$ 6,100	\$ 8,150
8104	Food Purchase	\$ 26,679	\$ 36,634	\$ 29,726	\$ 42,300
8105	Laundry, Linen, Houskpg. Supplies	\$ -	\$ 124	\$ -	\$ 100
8106	Office Supplies	\$ 3,944	\$ 3,198	\$ 3,400	\$ 2,550
8107	Duplicating & Printing Supplies	\$ -	\$ -	\$ -	\$ -
8108	Goods Purchased for Re-sale	\$ -	\$ -	\$ -	\$ -
8109	Reconditioning Materials	\$ -	\$ -	\$ -	\$ -
8110	Kitchen & Dining Room Supplies	\$ 762	\$ 2,025	\$ 1,200	\$ 1,300
8111	Misc. Supplies	\$ -	\$ -	\$ -	\$ -
8201	Telephone	\$ 3,187	\$ 3,292	\$ 3,500	\$ 3,600
8202	Cell Phones & Internet	\$ 3,878	\$ 3,476	\$ 3,520	\$ 3,550
8203	Quarters Telephone	\$ 472	\$ 458	\$ 500	\$ 468
8205	Clients / Guest Telephone	\$ -	\$ -	\$ -	\$ -

# CORPS COMMUNITY CENTER BUDGET NORMAN CORPS

EXPENSE (Continued)		Actuals Year Ending 2011	Actuals Year Ending 2012	Current Year Revised Budget 2013	Proposed Budget Year Ending 2014
8301	Postage	\$ 13,230	\$ 14,382	\$ 12,850	\$ 14,975
8303	Messenger & Delivery Service	\$ -	\$ -	\$ -	\$ -
8401	Local Rents	\$ 296	\$ 2,000	\$ 2,000	\$ 2,000
8402	Quarters Rent	\$ -	\$ -	\$ -	\$ -
8403	Building & Equipment Insurance	\$ 4,661	\$ 4,144	\$ 4,397	\$ 4,541
8405	Utilities	\$ 16,189	\$ 15,963	\$ 15,200	\$ 17,111
8409	Property Upkeep & Repairs	\$ 20,783	\$ 9,842	\$ 22,304	\$ 22,304
8413	Janitorial Supplies	\$ 2,561	\$ 1,896	\$ 2,500	\$ 2,129
8420	Dump Fees	\$ -	\$ -	\$ -	\$ -
8501	Furnishing & Equipment - Rental	\$ 859	\$ 929	\$ 500	\$ 500
8502	Furnishing & Equipment - Repair	\$ 642	\$ 718	\$ 1,000	\$ 1,000
8503	Furnishing & Equipment - Purchases	\$ 26,105	\$ 14,268	\$ 3,000	\$ 3,000
8601	Printed Materials	\$ 28,003	\$ 31,463	\$ 28,550	\$ 31,092
8606	Subscriptions	\$ 655	\$ 173	\$ 500	\$ -
8607	War Cry Cost	\$ 760	\$ 649	\$ 648	\$ 648
8608	Advertising & Public Information	\$ 2,748	\$ 5,061	\$ 1,100	\$ 4,350
8701	Other Transportation & Meals	\$ 1,619	\$ 3,841	\$ 2,700	\$ 3,300
8702	Automobile - Operating	\$ 11,905	\$ 11,436	\$ 9,000	\$ 9,200
8704	Automobile - Insurance	\$ 5,552	\$ 4,368	\$ 5,989	\$ 5,989
8706	Automobile - Leased Operating Cost	\$ 548	\$ 11,915	\$ 10,500	\$ 12,500
8707	Automobile - Allowances	\$ 1,063	\$ 1,166	\$ 1,100	\$ 950
8801	Conference Attendance	\$ 7,619	\$ 5,752	\$ 2,700	\$ 4,800
8802	Out of Town Travel	\$ 314	\$ (116)	\$ -	\$ 1,000
8906	Financial Assistance - Regular	\$ 26,733	\$ 55,757	\$ 70,300	\$ 54,800
8916	Financial Assistance - Seasonal	\$ 95,198	\$ 79,559	\$ 116,000	\$ 89,307
8920	Statewide Services	\$ 9,159	\$ 10,300	\$ 10,598	\$ 10,882
9001	Organizational Membership Cost	\$ 445	\$ 289	\$ 400	\$ 350
9103	Educational Grants & Scholarships	\$ -	\$ 1,436	\$ -	\$ 1,050
9111	Christmas Remembrances	\$ 213	\$ 56	\$ 150	\$ 150
9401	Moving & Recruitment	\$ 1,022	\$ -	\$ -	\$ -
9402	World Services / Harvest Festival	\$ 3,850	\$ 4,000	\$ 8,000	\$ 4,000
9410	Sundry Expense	\$ -	\$ -	\$ -	\$ -
96XX	Associated Organization	\$ -	\$ 7,788	\$ -	\$ -
9692	Support Service	\$ 44,844	\$ 50,434	\$ 51,932	\$ 53,324
9704	Furn. / Equip. Deprecation Expense	\$ -	\$ 2,326	\$ -	\$ -
<b>TOTAL EXPENSE</b>		<b>\$ 557,584</b>	<b>\$ 633,410</b>	<b>\$ 680,065</b>	<b>\$ 684,269</b>
<b>SURPLUS / (DEFICIT)</b>		<b>\$ 43,932</b>	<b>\$ 21,165</b>	<b>\$ -</b>	<b>\$ -</b>




**THE SALVATION ARMY -  
CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**THE SALVATION ARMY  
Arkansas / Oklahoma Division  
FINANCIAL BOARD**

**JUN 11 2013**

  
Chairman  
☒ Approved      Recommend ☐  
☐ Not Approved      Deferral ☐

**SOUTHERN TERRITORY  
AUDIT COUNCIL**

**JUL 19 2013**

**CHAIRMAN**



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## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of The Salvation Army,  
a Georgia Corporation

We have audited the accompanying statement of financial position of the Operating Fund of The Salvation Army - Central Oklahoma Area Command as of September 30, 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of The Salvation Army's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Operating Fund of The Salvation Army - Central Oklahoma Area Command and do not purport to, and do not, present fairly the financial position of The Salvation Army - Central Oklahoma Area Command as a whole or The Salvation Army, a Georgia corporation, as of September 30, 2012, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Operating Fund of The Salvation Army - Central Oklahoma Area Command as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*BKHM, P.A.*

Winter Park, Florida  
April 22, 2013

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30, 2012**

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 291,182
Contributions receivable	838,453
Other receivables	<u>27,216</u>
Total current assets	<u><u>1,156,851</u></u>

**Equipment:**

Vehicles and equipment	804,082
Accumulated depreciation	<u>(651,932)</u>
Total equipment, net	<u>152,150</u>
Total assets	<u><u>\$ 1,309,001</u></u>

**LIABILITIES AND NET ASSETS**

**Current liabilities:**

Due to Divisional and Territorial Headquarters	\$ 92,787
Accounts payable and accrued expenses	<u>56,337</u>
Total liabilities	<u>149,124</u>

**Net assets:**

Unrestricted	17,004
Temporarily restricted	<u>1,142,873</u>
Total net assets	<u>1,159,877</u>
Total liabilities and net assets	<u><u>\$ 1,309,001</u></u>

See accompanying notes to financial statements.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenue:</b>			
Contributions	\$ 5,275,265	\$ 269,298	\$ 5,544,563
United Way	279,473	838,453	1,117,926
Fees and grants from government agencies	215,118	6,758	221,876
Other income	358,811	-	358,811
Net assets released from restrictions:			
Satisfaction of program restrictions	79,639	(79,639)	-
Satisfaction of time restrictions	764,473	(764,473)	-
<b>Total support, revenue and net assets released from restrictions</b>	<u>6,972,779</u>	<u>270,397</u>	<u>7,243,176</u>
<b>Expenses:</b>			
Program services:			
Corps community center services	1,158,912	-	1,158,912
Residential social services	647,971	-	647,971
Other social services	3,754,453	-	3,754,453
<b>Total program services</b>	<u>5,561,336</u>	<u>-</u>	<u>5,561,336</u>
Supporting services:			
Management and general	527,012	-	527,012
Fund raising	976,718	-	976,718
<b>Total supporting services</b>	<u>1,503,730</u>	<u>-</u>	<u>1,503,730</u>
<b>Total expenses</b>	<u>7,065,066</u>	<u>-</u>	<u>7,065,066</u>
Change in net assets	(92,287)	270,397	178,110
Net assets at beginning of year	109,291	872,476	981,767
Net assets at end of year	<u>\$ 17,004</u>	<u>\$ 1,142,873</u>	<u>\$ 1,159,877</u>

See accompanying notes to financial statements.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Program Services			Supporting Services		
	Corps Community Center Services	Residential Social Services	Other Social Services	Management and General	Fund Raising	Total
Officers' allowances, employee salaries and benefits	\$ 418,411	\$ 403,478	\$ 1,019,333	\$ 342,228	\$ 387,077	\$ 2,570,527
Contract and professional services	21,107	6,985	36,226	12,553	48,111	124,982
Supplies	81,340	37,670	122,974	22,390	23,369	287,743
Telecommunications	8,927	3,449	28,806	12,350	6,444	59,976
Postage and shipping	1,014	785	3,581	1,918	88,621	95,919
Occupancy and equipment	158,556	95,925	425,704	73,522	7,848	761,555
Printing and publications	8,575	437	35,864	3,353	258,594	306,823
Travel and meals	64,736	219	108,934	24,406	58,365	256,660
Conferences and meetings	36,958	30	6,580	13,077	2,574	59,219
Specific assistance to individuals	22,338	17,810	1,839,227	-	-	1,879,375
Support services	320,952	81,012	103,389	-	-	505,353
Depreciation expense	11,135	-	4,912	19,499	3,893	39,439
In-kind donated advertising	-	-	-	-	90,497	90,497
Miscellaneous	4,863	171	18,923	1,716	1,325	26,998
<b>Total expenses</b>	<b>\$ 1,158,912</b>	<b>\$ 647,971</b>	<b>\$ 3,754,453</b>	<b>\$ 527,012</b>	<b>\$ 976,718</b>	<b>\$ 7,065,066</b>

See accompanying notes to financial statements.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 178,110
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation expense	39,439
Changes in assets and liabilities:	
Contributions receivable	(73,980)
Other receivables	124,534
Prepaid expenses	22,046
Due to Divisional and Territorial Headquarters	(87,805)
Accounts payable and accrued expenses	<u>(7,755)</u>
Net cash provided by operating activities	<u>194,589</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment	<u>(128,718)</u>
Net cash used for investing activities	<u>(128,718)</u>
Net increase in cash and cash equivalents	65,871
Cash and cash equivalents at beginning of year	<u>225,311</u>
Cash and cash equivalents at end of year	<u><u>\$ 291,182</u></u>

See accompanying notes to financial statements.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**1 PURPOSE AND ORGANIZATION**

The Salvation Army, founded in 1865, is a not-for-profit international religious organization and charitable movement organized and operated on a quasi-military pattern and is a branch of the Christian Church. Its memberships include officers (clergy), soldiers and adherents (laity), members of varied activity groups and volunteers who serve as advisors, associates and committed participants in its service functions.

The accompanying financial statements are summaries of the financial position, results of operations, net asset classifications and sources and applications of cash of the Operating Fund (the "Fund") of The Salvation Army - Central Oklahoma Area Command (the "Command"). The Command is a local unit of The Salvation Army, a Georgia corporation. The Command operates under the direction of The Salvation Army - Arkansas/Oklahoma Divisional Headquarters in Oklahoma City, Oklahoma, and The Salvation Army - Southern Territorial Headquarters in Atlanta, Georgia. The Fund is used to record the day-to-day operations of the Command, including the receipt and use of funds with no external restrictions. The Fund does not include land and buildings and certain other interest-earning assets which are under the legal control and discretion of The Salvation Army, a Georgia corporation.

The Salvation Army is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and is exempt from state income taxes under related state provisions. Accordingly, no provision for federal or state income taxes is included in the accompanying financial statements.

The Command's program services include the following:

Citadel and Norman Corps Community Centers and the Canadian County Service Unit - Operating units providing spiritual and social programs for young people and adults, group activities, pastoral counseling, homemaking classes, institutional and family visitation, sports and recreation facilities, educational and music classes and meals.

Danforth, Reding, Citadel, Shartel and Warr Acres Senior Centers - Operating units providing hot lunches, spiritual and social programs, group activities, recreation facilities, and educational and music classes.

Red Shield Men's Shelter - A shelter for local and transient indigent men. The shelter program also offers job counseling to program participants and referrals for individuals with alcohol and drug abuse problems.

Red Shield Family Shelter - Provides transitional housing and a total care program for women, children and families during emergencies such as fire, eviction, illness, unemployment, spouse abuse or desertion.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Red Shield Kitchen - Provides meals for the residents of the Men's Shelter and Family Shelter. Additionally, each evening, the Red Shield Kitchen provides meals to non-resident individuals, without charge.

Transportation - Provides transportation to elderly and disabled individuals, taking them to senior centers and other meal sites, medical appointments and grocery shopping.

Social Services - Provides emergency financial assistance and counseling to families and individuals in need who, because of illness, unemployment or disaster, are temporarily unable to meet their own needs.

Boys' & Girls' Clubs - Community clubs, which provide recreational facilities, sports programs, social activities, tutoring, educational and music classes and guidance to at-risk children and teenagers, giving them a safe and supervised environment after school and during the summer.

## **2      SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of presentation**

The accompanying financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting principles generally accepted in the United States of America.

The Salvation Army has adopted the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605, *Contributions Received* ("ASC 958-605"), and FASB ASC 958-205, *Not-for-Profit Entities: Presentation of Financial Statements* ("ASC 958-205"). ASC 958-605 requires that contributions received, including unconditional promises to give, be recognized as increases in net assets in the period received at their fair value. ASC 958-205 establishes the standards for external financial reporting for not-for-profit organizations, which includes a statement of financial position, a statement of activities, a statement of functional expenses and a statement of cash flows. It requires the classification of resources into three classes of net assets based on the absence or existence of donor-imposed restrictions.

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Trustees/Directors, all assets, liabilities and support and revenue are accounted for in the following net asset classifications:

- Unrestricted net assets - not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes or locations by action of the Board of Trustees/Directors.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

- Temporarily restricted net assets - subject to donor-imposed stipulations that may be fulfilled by actions of The Salvation Army to meet the stipulations or become unrestricted at the date specified by the donor.
- Permanently restricted net assets - subject to donor-imposed stipulations that they be retained and invested permanently by The Salvation Army. The donors require the Fund to use all or part of the investment return on these net assets for specified or unspecified purposes.

**Cash and cash equivalents**

For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have original maturities of three months or less.

**Contributions receivable**

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at fair value based on the present value of their estimated future cash flows and are discounted at the rate applicable to the year in which the contribution was made. Conditional contributions receivable are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Property, equipment, depreciation and reserves**

All land and buildings used by the Command, as well as any contributions or reserves established for purchase or replacement of land or buildings, are held in separate funds which are under the legal control and discretion of The Salvation Army, a Georgia corporation. Consequently, these assets are not included in the accompanying financial statements. The Fund has not been assessed a specific fee or rent charge for utilization of these facilities. Rent charges may be assessed for utilization of other facilities from third parties.

The Command occasionally enters into short-term rental agreements for additional facilities to conduct special fundraising events and welfare orders storage and distribution. The Fund incurred approximately \$243,000 of rental expense for the year ended September 30, 2012 related to these agreements. These charges are reflected as occupancy and equipment costs in the accompanying statement of functional expenses.



**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Equipment is stated at cost or, if donated, at fair market value at the date of donation. Equipment is capitalized based upon actual cost and depreciated on a straight line basis over three to eight years. As a matter of Salvation Army policy, items costing \$10,000 or more are capitalized and all other items are expensed to occupancy and equipment costs.

Provision is made for estimated major future costs of property maintenance and replacement of vehicles and some equipment by transfer of operating net assets to board designated unrestricted net assets. As of September 30, 2012, cash and cash equivalents include the following, which are board designated to be used for certain purposes:

Vehicle replacement reserve	\$ 23,466
Property maintenance reserve	<u>1,246</u>
	<u>\$ 24,712</u>

The Command is subject to the provisions of ASC 360-10-35, *Impairment or Disposal of Long-Lived Assets*. This standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and when the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment losses were recognized during the year ended September 30, 2012.

**Support and revenue**

All items of support and revenue are stated on the accrual basis. Contributions subject to donor-imposed restrictions are recorded as temporarily restricted support and are reclassified as unrestricted when the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed. Contributions with restrictions that are met during the fiscal year are recorded as unrestricted support. Support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. All expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets, that is, the expiration of the donor-imposed stipulated purpose or the elapsing of the specified time period, are reported as net assets released from restrictions.

Contributions receivable that are scheduled to be received after the end of the reporting period are shown as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when the purpose or time restriction is met. Contributions receivable subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in permanently restricted net assets.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

In addition to contributions from the public at large, the Fund also receives certain amounts which are earned or otherwise released from funds held in trust by Southern Territorial Headquarters. These amounts are included in contributions in the accompanying financial statements.

**Donations-in-kind and contributed services**

Material donations-in-kind items used in The Salvation Army programs and services (e.g., vehicle, free rent, equipment, etc.) and donated goods distributed (e.g., clothing, furniture, foodstuffs, etc.) are recorded at their estimated fair value as revenue and expense at the time the items are placed into service or distributed.

Contributed vehicles and equipment are recorded at fair value at the date of donation as unrestricted support and revenue unless the use of such contributed assets is restricted by a donor-imposed restriction.

Contributed services are reported as contributions at their fair value if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

Unpaid volunteers have made significant contributions of time to the Command. The value of this contributed time is not reflected in the accompanying statements since it does not create or enhance non-financial assets or require specialized skills.

**Expenses**

All expenses are stated on the accrual basis and are presented in the statement of activities and changes in net assets and the statement of functional expenses. Allocations of expenses to program services and supporting services are estimated based on personnel time and actual expenses incurred for the related activities.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**3 CONTRIBUTIONS RECEIVABLE AND OTHER RECEIVABLES**

Contributions receivable are recorded at net realizable value in the accompanying financial statements since they are expected to be collected within one year. Total contributions receivable of \$838,453 from the United Way have been included in the accompanying statement of financial position.

Other receivables include \$27,216 of amounts due under various government grants and contracts and from other local sources. Based on the collectibility of funds from these sources, management believes that an allowance for doubtful accounts is not considered necessary.

**4 PENSION, RETIREMENT AND POST-RETIREMENT BENEFIT PLANS**

Employee pension plan

Eligible employees of the Command participate in The Salvation Army Pension Plan (the "Plan") with other Salvation Army territories, which provides for death, disability and retirement benefits. The Plan is a defined contribution, money purchase plan. Annual contributions to the Plan are based on a stipulated percentage (5.25% in fiscal year 2012) of eligible employees' salaries. The Fund incurred \$50,206 of expense under the Plan in fiscal year 2012.

Officers' retirement and other post-retirement benefits provisions

The Salvation Army has a noncontributory retirement provision for officers, which provides retirement benefits, as defined by Salvation Army policy governing such benefits. Retirement allowances are determined based upon active officer allowances and length of service. Amounts charged to the Fund and included in expenses for this plan were \$7,500 in fiscal year 2012.

The Salvation Army also provides certain health care and death benefits for retired Salvation Army officers as part of the retirement provision for officers. The Salvation Army also provides a housing and furnishings allowance at the time of retirement. All Salvation Army officers and their eligible dependents are eligible for these benefits, as defined by Salvation Army policy. Provision for these benefits is made in a manner similar to that for officers' retirement benefits. Amounts charged to the Fund and included in expenses for this plan were \$30,653 in fiscal year 2012.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**5      EMPLOYEE MEDICAL PLAN**

Employees of The Salvation Army are provided health benefits under a self-insured program which is administered by a third-party claims administrator. The employee medical plan is funded by assessments made to all centers of operation which in turn assess the programs of the unit based on premium rates for all employees eligible for participation and by earnings on the designated assets of the plan maintained by the Southern Territorial Headquarters of The Salvation Army. Amounts charged to the Fund and included in expenses for this plan were \$248,717 in fiscal year 2012.

**6      INSURANCE**

The Salvation Army maintains self-insurance programs for general liability, automobile, workers compensation and property coverage. The programs which are administered by the Southern Territorial Headquarters of The Salvation Army are intended to provide coverage for claims arising in all centers of operation. Funding for these programs is obtained through assessments to all centers of operation which in turn assess the programs of the unit for each line of coverage and through earnings on assets designated by the Southern Territorial Headquarters of The Salvation Army to pay claims. Amounts charged to the Fund and included in expenses were \$167,533 in fiscal year 2012.

**7      NET ASSET CLASSIFICATIONS**

Temporarily restricted net assets are available for the following purposes or periods:

Periods after September 30, 2012:	
General operating support	\$ 838,453
Performing arts program	164,828
Boys and girls club programs	68,089
Utility assistance	64,745
Emergency food and shelter	<u>6,758</u>
Total temporarily restricted net assets	<u><u>\$ 1,142,873</u></u>

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**8 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors during the fiscal year.

Purpose restriction accomplished:	
Emergency food and shelter	\$ 69,057
Utility assistance	10,582
Time restriction elapsed:	
General operating support	<u>764,473</u>
Total net assets released form restrictions	<u><u>\$ 844,112</u></u>

**9 RELATED PARTY TRANSACTIONS**

The Fund is assessed an administrative charge by Arkansas/Oklahoma Divisional Headquarters for support services provided by Arkansas/Oklahoma Divisional Headquarters and Southern Territorial Headquarters to the Fund. Support services provided include program, personnel, business and social services. These charges are reflected as support services in the accompanying statement of functional expenses.

For the year ended September 30, 2012, the Command recorded income of \$438,094, which represents funds from trust accounts maintained by and under the legal control and discretion of Southern Territorial Headquarters to assist in the operations of the Command, including the payment of various liabilities to Divisional Headquarters. This amount is included in the accompanying financial statements as contributions.

For the year ended September 30, 2012, the Command recorded income of \$101,070 in grants from Arkansas/Oklahoma Divisional Headquarters and \$30,000 in grants from Southern Territorial Headquarters to assist in the payment of various liabilities to Divisional and Territorial Headquarters. These amounts are included in the accompanying financial statements as other income.

**10 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Command's financial instruments consist of cash and cash equivalents, contributions receivable, other receivables, due to Divisional and Territorial Headquarters and accounts payable and accrued expenses. All financial instruments are stated either at cost or net realizable value, which approximates fair value.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Financial instruments that potentially expose the Command to concentrations of credit and market risk consist primarily of cash and cash equivalents and receivables. Cash and cash equivalents are maintained at federally insured financial institutions and credit exposure is limited to the amount of deposits at any one institution in excess of the federally insured limit. Receivables may be due from various government agencies, the United Way, other entities and individuals, therefore, diversifying the related concentration of credit risk. Losses due to uncollectibility of these receivables have historically been negligible.

**11 FAIR VALUE MEASUREMENTS**

The Command has adopted ASC subtopic 820-10-65, which delayed the effective date of ASC 820 for all nonfinancial assets and liabilities to fiscal years beginning after November 15, 2008, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis.

The Command has adopted Accounting Standards Update ("ASU") 2010-06, *Improving Disclosures about Fair Value Measurements*, to amend ASC 820, *Fair Value Measurements and Disclosure*. ASU 2010-06 requires additional disclosures for the amounts and reasons for significant transfers in and out of fair value measurements hierarchies. ASU 2010-06 also requires information about purchases, sales, issuances and settlements for Level 3 fair value measurements to be presented separately. This ASU is effective for the year ending September 30, 2011 for most of the new disclosures and for the year ending September 30, 2012 for the new Level 3 disclosures. Comparative disclosures are not required in the first year the disclosures are required.

The Command recorded certain assets at their fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is categorized into three levels based on inputs as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Inputs that are unobservable and significant to the overall fair value measurement of the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value of short-term financial instruments, including cash and cash equivalents, contributions receivable, other receivables, due to Divisional and Territorial Headquarters and accounts payable and accrued expenses, approximate the carrying value in the accompanying financial statements due to the short maturity of such instruments.

## **12 COMMITMENTS AND CONTINGENCIES**

### **Lease commitments**

The Command has commitments under non-cancelable operating leases for equipment and for the Canadian County facility. The Command is obligated to pay a base rent and other operating expenses. Future minimum lease payments due under the leases are as follows:

<u>Year ended September 30,</u>	<u>Minimum Payments</u>
2013	\$ 22,791
2014	12,433
2015	12,000
2016	12,000
2017	9,000
Total	<u>\$ 68,224</u>

**THE SALVATION ARMY - CENTRAL OKLAHOMA AREA COMMAND  
OPERATING FUND**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Total rent expense under non-cancelable operating leases for the year ended September 30, 2012 was approximately \$16,000 and is included in occupancy and equipment in the accompanying financial statements.

Legal matters

In the normal course of conducting its business and programs, the Command occasionally becomes party to various legal actions and proceedings. While outside counsel cannot predict the outcome of such litigation, management does not expect the outcome to have a material effect upon the financial position or the results of operations of the Command or the Fund.

**13 SUBSEQUENT EVENTS**

ASC 855 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date (that is, whether that date represents the date the financial statements were issued or were available to be issued). The Command has evaluated all subsequent events through April 22, 2013, which is the date the financial statements were available to be issued.





Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248404892  
Mar. 31, 2011 LTR 4168C E0  
58-0660607 000000 00

00015662

BODC: TE

THE SALVATION ARMY  
TERRITORIAL HEADQUARTERS  
% KATIE TATE  
1424 NE EXPRESS WAY  
ATLANTA GA 30329



001556

Employer Identification Number: 58-0660607  
Person to Contact: Jeff Seibert  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 23, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in October 1955.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(i).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

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Mar. 31, 2011 LTR 4168C E0  
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THE SALVATION ARMY  
TERRITORIAL HEADQUARTERS  
% KATIE TATE  
1424 NE EXPRESS WAY  
ATLANTA GA 30329

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



S. A. Martin, Operations Manager  
Accounts Management Operations

## **Cleveland County Board Roster**

James Fullingim	Fire Chief, City of Norman
Gina Mitchell	Owner, Mitchell Jewlery
Deidre Ebrey	Director of Economic Development & Marketing, City of Moore
Phil Cotton	Retired Norman Police Chief
Brad Little	Owner, HeyDay Entertainment Center
Bob Staples	National Weather Center, Retired Marine
Suzanne McAuley	Vice President, First American Bank
Lori Fightmaster	Vice President, Republic Bank
Meegan Carter	Vice President of Billing, Norman Regional Health Systems
Ted Blodgett	Accountant, Co-Owner of Gray, Blodgett and Company
Mandy Haws	Owner, Sooner Bowling Center
Elvin Brown	Retired Judge
Jeffrey Barlow	CRNFA, Norman Regional Health Systems
Lisa Burkhart	Havenbrook Funeral Home
Monty Johnson	Johnson Controls
Walt Terrell	Realtor
Betty Goss	Realtor
Terry Cavnar	State Farm Insurance Agent
Pat Privett	Retired
Amy Baden	
Amy Reeves	

## **2013 Staff Members – The Salvation Army of Cleveland County**

Major Margaret Kennell – Corps Officer, responsible for church and programs

Leona Chapman, Director of Social Services, responsible for all social services and case management

Cindy Honeycutt, Case Management Specialist

Robert Douglas, Housing Director, responsible for overseeing all shelter staff and operations

Steven Saylor, Shelter Monitor

Ronald Nichols, Shelter Monitor

Vacant, Shelter Monitor (currently in the hiring process to fill vacancy)

Tommy Moore, Food Pick up

**\*Shelter Monitors** are part time employees that operate the emergency shelter

**\*Food pick up is a part time position**



## **THE SALVATION ARMY POLICY STATEMENT ON RELATIONSHIPS WITH OTHER GROUPS AND ORGANIZATIONS**

The Salvation Army in the United States works cooperatively with many groups — governmental, social service, civic, religious, business, humanitarian, educational, health, character building, and other groups — in the pursuit of its mission to preach the Christian Gospel and meet human need.

Any agency, governmental or private, which enters into a contractual or cooperative relationship with The Salvation Army should be advised that:

1. The Salvation Army is an international religious and charitable movement, organized and operated on a quasi-military pattern, and is a branch of the Christian church.
2. All programs of The Salvation Army are administered by Salvation Army Officers, who are ministers of the Gospel.
3. The motivation of the organization is love of God and a practical concern for the needs of humanity.
4. The Salvation Army's provision of food, shelter, health services, counseling, and other physical, social, emotional, psychological and spiritual aid, is given on the basis of need, available resources and established program policies.

Organizations contracting and/or cooperating with The Salvation Army may be assured that because The Salvation Army is rooted in Christian compassion and is governed by Judeo-Christian ethics, The Salvation Army will strictly observe all provisions of its contracts and agreements.