

## North Park GO Bulletin<sup>1</sup>

### North Park Strategic Service (NPSS) Management of Finances

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North Park Community Church has established a method for global outreach that allows individuals to travel on behalf of North Park's goals and for the trip itself to be deemed charitable in nature. These trips are known as **North Park Strategic Service (NPSS) Trips**. A separate GO Bulletin entitled "North Park Strategic Service (NPSS)" has been created to outline the vision and overall requirements of NPSS trips.

One requirement for a trip to be NPSS is that appropriate and Canada Revenue Agency (CRA) approved financial records of the trip be kept.

The Six Steps of appropriate financial record keeping for an NPSS are:

1. NPSS Approval and the Establishment of a Designated Fund
2. Establishing a budget
3. Keeping receipts and records, including handling currency exchange
4. Completing a Financial Wrap up.
5. Completing a Trip Report.
6. Getting reimbursed for the costs related to the NPSS.

Principles and Policies related to the NPSS are attached as Appendix 1.

### **1. NPSS Approval and the Establishment of a Designated Fund**

North Park Community Church has the ability to establish designated funds that people can give to for charitable purposes. If an NPSS is approved, then a Designated Fund will be set up for the funding of the trip. It is important to ensure that any funds donated to the trip are allocated to the appropriate Designated Fund that is set up. If more costs are incurred than donations received, the individual travelling is responsible for the difference. If the funds received are greater than the costs than the excess is left at the discretion of the Director of Global Outreach. In some cases such as when a person travels regularly the residual funds can be used for future trips.

Approval from the Director of Global Outreach is required for all NPSS initiatives. The Director of Global Outreach oversees the writing of goals and the original design of the NPSS. The Director of Global Outreach establishes a Designated Fund for the NPSS in conjunction with the Director of Administration and Finance at North Park.

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<sup>1</sup> The North Park Global Outreach Team seeks to provide up to date information designed to inform and equip people who serve in London and around the world. GO Bulletins (GIB) are completed as our way of providing both guidance and policy towards this goal. Extensive research and reflection on best practice is used to create GO Bulletins. The reader is responsible to confirm the information as the Canadian Government can change policies and/or laws at any time. This GO Bulletin is reviewed and updated annually in February.

## 2. Establishing a Budget: an Example

EXPENDITURE	Budget (CDN \$)	Actual (CDN)
Flights	\$3850	
Airport Transportation and Parking	\$270	
Visa	\$200	
Inoculations (Malaria pills, Typhoid shots)	\$200	
Food \$10 a day per person for 30 days	\$600	
Accommodations \$20 a day per person for 30 days	\$1200	
Local Transportation \$3 a day per person for 30 days	\$180	
Hospitality (Meals, Gifts)	\$250	
Ministry Supplies	\$300	
Buffer 5%	\$366	
<b>TOTAL</b>	<b>\$7691</b>	

What to know about setting up a budget:

- a) North Park has an Excel based Spreadsheet format that we use for all NPSS trips. You will be trained in how it works.
- b) Be realistic and do your research to ensure that you have a good estimate on the expenses. Research the current currency rates to ensure accurate exchange.
- c) Transportation to Toronto or Detroit airport can be reimbursed at a flat rate of \$100 Canadian per return trip. If someone drops you off and then picks you up two weeks later then they can receive \$200 (\$100 for each trip to the airport). We recommend Robert Q when you travel alone as it costs approximately \$70 each way per person. Remember to research parking costs in order to compare different options.
- d) Hospitality is for items related to serving others in the context of the mission. This could include things like taking workers out for a meal, bringing hospitality gifts that will strengthen and encourage them. Hospitality is an important aspect of global engagement; at North Park we encourage thinking strategically and in ways that make a dynamic difference in people's lives.
- e) Giving is not included as an expense and cannot be included as an act of hospitality. This includes putting money in an offering plate or giving cash to individuals. Giving cash is considered an act of personal sacrifice and not an expense of the trip. NPSS participants are encouraged to consider the positive and negative impact related to the giving of cash to individuals while on NPSS mission.
- f) In cases where it will be difficult to get receipts it is appropriate to use a Per Diem (per day) amount; Per Diems are established based on average standards within the country of travel, and require the approval of the Director of Global Outreach.
- g) Items such as toiletries and/or things like private excursions are considered personal and are not taken into consideration for NPSS budgeting purposes.

- h) The budget for food costs begins the moment the plane touches the ground in the country you are visiting and ends the moment the plane departs for home. Expenses for personal items such as latte's and snacks would only be covered if an act of hospitality.
- i) Recording GST/HST allows North Park to claim those amounts back from the Government, and thereby reduces your overall expenses for the trip.
- j) The 5% buffer column acts to provide a margin of safety for unexpected items.

### **3. Keeping Receipts and Records**

- a) You are required to keep a log of all minor expenditures. The log data helps us determine future costs and acts as verification for CRA if needed. We recommend carrying a small physical book with you and then transferring the information to the Excel file log. The following is an example of what is required:

Date	Activity	Amount	Receipt	Information
March 3	Bhain Thai Restaurant Chaing Mai for lunch	3300 Baht	Yes (H5)	Hospitality...took Beth and TaWee out for lunch

- b) Receipts are required for all expenditures, except in cases of per diem costs and/or mileage. You are required to label any physical receipts with the category and a number that corresponds back to your logbook. In the example above H5 is used; indicated H for hospitality and 5 as the specific receipt. This makes completing your Financial Wrap Up at the end of the trip very easy and reduces stress. Writing this information on your receipts every day or two as they happen and putting them in a zip lock bag keeps them dry and organized for your Financial Wrap Up
- c) Exchange rates are established by providing a fair market value for currency at the time of the trip. If possible, a visa slip should be provided with the specific in country rate. If necessary different rates can be applied based on different expenditures and the appropriate paperwork. The preferred method being one established rate during the trip for each currency used.
- d) Debit or Credit slips are not sufficient as a receipt. The actual receipt with detailed information is the required paperwork. Record the final Canadian amount on each individual receipt.
- e) If a receipt is for hospitality purposes then ensure that the name of the individuals who are being served is written on the receipt itself.

### **4. Completing a Financial Wrap-up**

Upon return from a trip you are required to complete a Financial Wrap-up in order to finalize the finances of the trip. We will train in you how to complete that Wrap-up using your Excel file.

### **5. Completing a Trip Report**

A separate GO Bulletin entitled "North Park Strategic Service (NPSS)" outlines how to complete a Trip Report, and includes samples.

### **6. Getting Reimbursed for NPSS Expenses**

In certain instances it is possible to receive advances funds for an NPSS trip; this generally occurs when there are advance funds in the account either through donations from others or the person themselves. In general the individual will collect their receipts and upon completion of the trip write up the Financial Wrap Up which will show what monies need to be reimbursed. A Trip Report is required before final reimbursement of NPSS Expenses.

## **Appendix 1**

### North Park Strategic Service (NPSS) Principles/Policies

#### General Principles

1. Any activity NPCC carries out and supports must be consistent with its overall charitable purposes and objects.
2. NPCC must maintain direction, control and accountability over the expenditure of all funds, including travel expenses of volunteers.
3. In order for a gift to qualify for a tax receipt, there cannot be any legal obligation for the donor to pay the travel expenses. A gift must be given voluntarily and the donor must not be obliged to pay for the expenses. There should not be a problem with the donor indicating his/her intention to donate funds to NPCC in advance of incurring the expenses.
4. Contributions of services cannot be receipted.
5. No benefit of any kind may be provided to the donor. There can be no personal advantage or benefit to the donor associated with the travel expenses (e.g. personal vacation). Personal advantages or benefits do not include those that cannot be measured in economic terms.

#### Specific Policies and Procedures

1. Travel expenses must be pre-approved by the Director of Global Outreach.
2. Travel participant must sign a waiver fully releasing NPCC from any liability associated with their trip prior to departing. Failure to do so will constitute automatic denial of NPCC's approval of both the trip and reimbursement of expenses.
3. Travel participant must provide evidence of sufficient out-of-country medical insurance for the duration of their trip.
4. Travel participant personally pays for the travel expenses, and then subsequently submits all receipts to NPCC for approval and reimbursement, together with a brief report outlining the trip itinerary and activities.
5. Travel participant submits monies equaling the total \$ value of the travel expenses. These monies can be paid by the participant or by other donors. NPCC provides a charitable donation receipt for the value of donations received to donors who gave those monies.
6. NPCC approves expenses and issues a cheque to the travel participant reimbursing him/her for the expenses.