

GUIDE
FOR
SPIRITAN
BURSARS

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FOREWORD

The Guide for Spiritan Bursars was long awaited. In 2012, the Bagamoyo General Chapter gave some very precise indications as to what it should contain. (Bagamoyo 5.3). The extent of the material to be dealt with, the diversity of accounting methods, different legal requirements in each country and the complexity of financial affairs in the world at present, made the compilation of the guide a heavy work. After the Bagamoyo chapter, Fr Jose de Sousa, General Bursar at the time, buckled down to the task. Thankfully, there was a good technical base on which to build because of the course which Fr. Firmino Cachada had put together and presented over several years to Spiritan bursars around the world and which existed in the three languages of the Congregation as well as in Spanish. At the beginning of 2015 I took up the challenge, reshaping and restructuring the text to make a usable guide. The Congregation's Financial Council then made some corrections so that the final text was completed.

The guide is both a general training manual and a guide for the procedures and reports made for the Congregation itself.

After a brief introduction on the role of the bursar (ch.1), the guide deals with basic legal principles (ch.2) and the administration of assets (ch.3). Following after that is a look at the strategies and personal relationships of the bursar with different elements in the Congregation, the Church and wider society. Then the guide deals with the more practical questions of the annual accounts sent to the General Administration (ch.5) and the circumscription reports (ch.6).

The following chapters deal with a challenge which faces the Congregation: how to be financially self-supporting (ch.7) and an extremely important subject touching on our common financial structures: Spiritan solidarity (ch.8).

The guide finishes with a chapter on development projects, from their beginning to their completion, up to the final report (ch.9).

There are two documents attached:

- References to the Rule of Life, the chapters of Maynooth, Torre d'Aguilha and Bagamoyo and Canon Law. These texts are classed in the order of the chapters of the guide.
- Our ethical charter for the management of our investments. This means the principles we observe in our strategic and operational choices at Congregation level. We encourage all circumscriptions to reflect on this subject and adopt their own ethical charter.

The Guide for Spiritan Bursars, with its annexes, was presented to the Enlarged General Council of Rome in June/July 2016 and was approved.

We are well aware that many things could have been presented otherwise. Choices had to be made so that the text remained simple but understandable, at the same time using a common language which could be understood in the diversity of situations which confreres find themselves in around the world, in order to help bursars and superiors in their financial management and discernment.

In closing, we would like to reiterate our thanks to Fr. Firmino Cachada whose immense work formed the essential material for this guide.

Rome, 8 September 2017



Fr Jean-Marc Sierro
General Bursar

1. INTRODUCTION

To be a bursar is not a job **but a ministry** to be lived with responsibility within the context of our congregational mission and spirituality. The bursar puts his skills at the service of the Congregation and of Mission. He manages goods in such a way that the Congregation can achieve its missionary goals.

1.1 THE ROLE OF THE BURSAR

The bursar of a circumscription / community is:

➤ **A MEMBER** of a Community, a circumscription and the Congregation. As such, he takes part in the life of the community and of the circumscription like any other confrere, with the same rights and the same duties.

➤ **A MANAGER:** He takes care of day-to-day tasks necessary for the life of the community or circumscription and coordinates all facets of community or circumscription life as they relate to financial resources.

He ensures the preservation and the maintenance of properties and equipment, makes investments, keeps up-to-date accounts, coordinates the work of employees and makes sure that their social rights are respected. He is the contact person with administration or other people or institutions in the matters which relate to finance.

➤ **AN ACCOUNTANT & RECORD KEEPER:** He records data in a professional manner and carefully manages investments and property assets. He needs to be comfortable with numbers and to be able to understand accounting principles, prepare financial statements and plan realistic budgets.

➤ **AN ADMINISTRATOR:** The bursar has the information and skills to assist the membership and to assist in leadership's decision-making process. He needs the ability to communicate. He knows that good information makes for good decisions. He helps others to see

the financial implications of every decision. He prepares the budget and the annual report and presents them for approval by the Council of circumscription / community. He needs the ability to see the wider picture. He needs the ability to translate reality into numbers and to translate numbers into reality.

1.2 LOOKING TO THE FUTURE

- **RESPONSIBILITY:** The bursar is concerned with the future financial needs of the circumscription / community. He looks at the broader picture and raises questions which must be answered for the future. He tries to leave to his successor a better situation than the one which he met.
- **PLANNING:** He needs to have vision and creativity to make the circumscription / community financially viable for the future. He tries to involve the confreres in the search for a better solution for the future.

1.3 MISSION AND SOLIDARITY

- **ONE FAMILY WITH A MISSION:** In order to properly administer the resources and the immovable and moveable goods, we need to know the goals to be achieved. We can't manage a circumscription / community in the same way that we manage a business company, a corporation or even an NGO. It should be administrated more like a family with a mission. Financial profit is not our goal. Our Rule of Life helps us to understand that our resources are at the service of the Congregation not vice versa (SRL 229).
- **A FAMILY IN SOLIDARITY:** We are a family, having “Cor Unum et Anima Una” as our motto. This must be apparent at the level of mutual aid and the sharing of human and financial resources. It is part of our Rule of Life and recent Chapters have emphasised it. We will refer to it often in this Guide and we will try to see what are the practical consequences of such a vision of our common and interdependent mission.

2. JURIDICAL STATUS - ORGANISATION

In the countries where we live and work, situations are very diverse as regards the relations between Church and state and the legal status which we can have. Everywhere we have to work to obtain a solid and stable legal status, through associations, foundations, and companies, according to what the law allows us. In general it is the circumscription which has the status of legal entity, or, if this is not possible, at least communities or works should have legal status.

2.1 BASIC JURIDICAL PRINCIPLES OF THE RULE OF LIFE

The Spiritan Rule of Life gives indications that define very clearly our administrative and financial practice. These indications are fundamental and constitute a basis that always guides our action:

- Each circumscription, being a moral person, has the right to possess property. The status of a juridical person shall be acquired in the state or states where it is established (232.1).
- The Congregation and the circumscriptions, but not the houses, are juridical persons, with the power to acquire, possess, administer and dispose of material goods (228).
- All that we have and all that we are is at the service of our apostolic life (72).
- All the Congregation's goods are put to use to serve its aims. This completely excludes the accumulation of goods for the sole purpose of possession. To prevent abuses, the authorities of the Congregation carefully investigate the use made of possessions and the policy of financial investments (229).

- In works or establishments that do not belong to the Congregation but are placed under its care, we always make a clear distinction between what belongs to the Congregation and what belongs to the work or establishment (234.4).
- All the possessions of a circumscription, both moveable and immovable, must be protected by legal title properly registered (231.2).
- Possessions are to be insured by policies taken out with well-established companies. These policies shall include civil responsibility arising from ownership, and perhaps also insurance of the personnel in keeping with the law and the customs of the country (231.3).
- Whatever we receive as a gift or in payment for our work – gifts, salaries, pensions, grants, insurance benefits, mass stipends and every other Religious life income we may derive from our work—belongs to the Congregation (Canon 668.3) (65).
- Each circumscription makes every effort to attain financial independence. For this purpose it may establish a Reserve Fund with a capital fixed by its council in agreement with the General Council (231.4).
- The General Council shall be consulted about important property transactions. It gives its advice in writing. The prescriptions of Canon 638.3 shall also be observed (231.6).

3. ADMINISTRATION OF GOODS

3.1 PROPERTY AND ADMINISTRATION

3.1.1 THE CONCEPT OF ADMINISTRATION

The right (and the duty) of administration flows from the right of ownership. Indeed, **the right of ownership includes the right to use, enjoy, and dispose of property** - all of which imply acts of administration. Insofar as properties or goods are property of the Congregation or, in the last analysis, of the Church, the bursar is somebody who manages in the name of the Congregation or of the Church and not in his own name. The circumscription entrusts him with this work. This is why **a bursar does not have the authority to manage by himself**: this capacity comes to him from the superior and his council, to whom he must answer.

Managing goods of a circumscription consists in preserving all temporal (immovable and moveable) goods which have been acquired or which belong to the circumscription and using them for their destined end, i.e. the objectives of the circumscription (as Congregation and as Church) and the life of the confreres.

This function comprises three elements:

- the **preservation and improvement** of property which has been acquired;
- the natural or artificial **production of usufruct** or income from such property;
- the **useful application** of such usufruct or income to the proper persons.

3.1.2 ORDINARY AND EXTRAORDINARY ADMINISTRATION

According to the Code of Canon Law, there are two different types of administration: ordinary and extraordinary. But the Code does not dis-

tinguish acts of ordinary administration from those which are extraordinary. It is for the Conference of Bishops or the Religious Congregations to determine for the country or for the Congregation what are the acts of extraordinary administration.

The S.C. for the **Propagation of the Faith** established the following as acts of **extraordinary administration** in 1856. They retain the force of law up to the present day, even though the list is not exhaustive:

- to accept or renounce an inheritance, legacy, donation or foundation to which certain conditions are attached;
- to purchase immovable goods;
- to build, demolish, or substantially change a church building or to make extraordinary repairs to such buildings;
- to sell property;
- to establish a cemetery;
- to enter into a lawsuit as one of the parties involved.

The Rule of Life, for example, establishes that « *an extraordinary expense, exceeding the limits of the budget for the current year, requires the approval of the major superior with the consent of his council.* » (SRL 173.2). Even here, we use common sense to judge if the expenditure is “extraordinary” or not and whether it exceeds the approved budget by a large or small margin. That can depend on the size of the circumscription and thus also on the size of its budget, but also on the financial situation of the circumscription.

3.1.3 THE PRINCIPLE OF AUTONOMY

THE PRINCIPLE: Our Congregation is decentralised and this is equally true of our financial structure. In regard to the management of goods, circumscriptions are like Dioceses in the universal Church. Each Province and Group in the Congregation is largely autonomous financially. circumscriptions are moral (juridic) persons. They can own property. They decide how to find and use their resources, in accordance with the Rule of Life. Therefore, they have to cater for their own needs as

regards the life of the group, the confreres and their works. Circumscriptions look after the formation of young confreres and the care of the elderly confreres.

The Congregation does not create new circumscriptions unless they have the means necessary for their existence. N° 57 of the Directory for Organisation gives the details, speaking of the autonomy of new provinces:

“The new Province must already be able to meet most of its ordinary administrative expenses. Regarding formation expenses, a figure of around 50% should be covered; in each case, the exact amount will be worked out with the General Council. ”

ITS LIMITS: Even though the Congregation is decentralised, the financial autonomy of the circumscriptions is not absolute. The Rule of Life and Canon law set limits to this autonomy:

- by creating the obligation to give an **annual report** to the General Administration, with the accounts of the financial year ended, and the budget for the coming year
- by setting limits to **transactions concerning immovable goods**, beyond which they must consult the General Council (permission from the Congregation for Religious must be obtained when the value is greater than the amount set by the Holy See).
- by creating the obligation of a deliberative vote of the General Council to authorize a circumscription **to undertake additional commitments** that necessitate added investment of money and of manpower. (RSL 248.3.4).

3.1.4 ADMINISTRATIVE ORGANISATION OF A CIRCUMSCRIPTION

It is tradition in the Congregation to **separate “administrative” and “economic” power**, i.e., to distinguish clearly between the roles of the “superior” and the “bursar”. The Rule of Life states *“The bursar, even in a small community, shall not, in so far as is possible, be the superior”* (171.1). This rule merely repeats Canon Law, n° 636.1.

At the same time, it is always clear that **bursars, at all levels, are members by right of the council**, and that they must account for their management to the council.

We distinguish **four different situations** concerning decision-making power:

- The bursar decides on his own (ordinary administrative acts);
- The bursar consults the superior and gets his agreement (extraordinary acts which are not regulated as such, and which do not have a substantial impact on the financial situation of the circumscription or community);
- The bursar asks for authorisation from the superior, who gives it in writing after having consulted his council;
- The council deliberates on an extraordinary act, and authorises it in writing.

There are cases where it is important to have the advice of a *Financial Council*.

In all cases, it is important that both the superior and the bursar, especially at the level of a circumscription, know what the Rule of Life and Chapters (and even Canon Law) have to say about the administration of financial goods.

The bursar of a circumscription can be a lay person. He can be called to the Council of a circumscription for issues related to administration or finances. He has a consultative voice.

COORDINATION / CONTROL

Many structures in SRL involve supervision of the lower level by the upper level. At every level, budgets and reports must be approved by an upper level. Superiors of communities or circumscriptions have the authority and the duty to monitor the financial systems in their community or circumscription. All important financial decisions require a deliberative vote of the council of the circumscription.

As has already been said, it is necessary to distinguish clearly what belongs to the Congregation (circumscription, community) and what

belongs to other institutions (dioceses, works, NGO ...), or to projects in which we are involved, both in terms of administration and of accountability.

3.2 THE RIGHT TO PROPERTY AND JURIDICAL PERSONALITY

3.2.1 THE RIGHT TO PROPERTY

Circumscriptions (but not communities) have the “right to possess property” and therefore it is recommended that they obtain juridical personality in the country where they are established (srl 231.1).

In some cases, national laws do not give religious congregations the right to possess property (in Ethiopia, for example, the Congregation’s property is registered under the name of the church but belongs to the state).

The Rule of Life asks us to clearly distinguish that which belongs to the Congregation from what belongs to other entities (dioceses, missions, works, projects, etc) with whom we are engaged in our pastoral work. This applies to property titles as well as to accounting.

The General Administration (General Council, Generalate house) is only responsible for its own goods and its own needs. In other words, the General Administration is not the owner of the goods of circumscriptions and, strictly speaking, is not obliged to provide for the needs of circumscriptions.

3.2.2 TO ACQUIRE OR ALIENATE

- The right to possess property includes the following actions: **acquire, possess, administer and alienate.**
- **To Alienate a Property** (for example, a building or land) belonging to the circumscription, according to our Rule of Life and Canon Law, requires a written decision of the Superior of the circumscription with the deliberative vote of his Council (SRL 246.1.22). In addition, acts of extraordinary administration (where the capital or

patrimony of the circumscription may be substantially changed) require a decision of the Superior with the consent of his Council.

Curiously, Canon Law does not mention, in the case of acquisitions, the need for a written decision of the Superior, with the consent of his Council, but insofar as it involves an act of extraordinary administration, the need for this decision is understood.

- According to Canon Law and the Rule of Life (231.6), such decisions also require the deliberation **of the General Council** when these involve real estate and finances (moveable and immovable property) of significant importance, which presupposes that the General Council is informed and consulted before the circumscription takes decisions on such matters. The Rule of life insists that the advice of the General Council be given in writing. The General Chapter in Torre d'Aguilha (2004) strongly reminded us of this requirement from our Rule of Life. (cf. *Can. 638§3: For the validity of alienation, and of any transaction by which the patrimonial condition of the juridical person could be adversely affected there is required the written permission of the competent Superior, given with the consent of his or her council. Moreover, the permission of the Holy See is required if the transaction involves a sum exceeding that which the Holy See has determined for each region, or if it concerns things donated to the Church as a result of a vow, or objects which are precious by reason of their artistic or historical value*).
- It may happen that some important transactions of moveable or immovable property (with financial, or of important historical or religious value) require the consent of the Diocesan Bishop or even the approval of the Holy See. In the latter case, according to the Code of Canon Law, the power of administration over the property of the Church pertains to the Roman Pontiff. Episcopal Conferences are always cognizant of the directions from Rome on this subject. Episcopal Conferences themselves establish an amount above which the permission of the Holy See is required. This varies, however, according to the country. If there are any doubts, **the**

best thing to do is to contact the General Procurator of the Congregation to the Holy See.

3.2.3 SOME ADVICE

- **An Inventory:** The bursar should always have an **up-to-date inventory** of the property of the Congregation. He must confirm that the land and buildings in fact belong to the Congregation, are registered and that the title deeds of the properties are in order.
- **Parishes:** In principle, **presbyteries and missionary residences** belong to the Diocese, even if they were built by Spiritans with Congregation money. Parish cars bought with money from funding agencies (such as from Missio or MIVA for example) belong to the parish. On the other hand, vehicles bought with circumscription money ought to be registered in the name of the Congregation.
- **Buildings:** to build on land that does not belong to us (e.g the Diocese, another Congregation, etc.) means **building for others**.

3.3 CONTRACTS BETWEEN THE CONGREGATION AND THE DIOCESES OR OTHER INSTITUTIONS

Contracts are drawn up to cover every work that is confided to the Congregation and for every job given to a Spiritan, whether by a Church body or any other (SRL 234).

According to SRL 234.1, contracts shall specify:

- *the apostolic responsibilities that are undertaken;*
- *the duration of the contract;*
- *conditions for annulment or renewal of the contract;*
- *the material support of the confreres employed in the work;*
- *monthly payment to be received;*
- *travel expenses;*
- *board and lodging;*
- *health insurance and pension payments.*

SRL further states:

- *Contracts concerning Spiritans are drawn up by the major superiors. They are signed too by the member whom they concern (234.2).*
- *Contracts that concern a circumscription (as a unity) are entered into by the major superior, with the consent of his council and the agreement of the General Council (234.3).*
- *In works or establishments that do not belong to the Congregation but are placed under its care, we always make a clear distinction between what belongs to the Congregation and what belongs to the work or establishment (234.4).*

3.4 ADMINISTRATION AND MANAGEMENT

3.4.1 ACCOUNTING

3.4.1.1 BASIC PRINCIPLES

Accounting is a tool, and not an end in itself. It shows the financial situation of the circumscription at any particular moment. To achieve this, it is composed of two parts: the balance-sheet and the income and expenditure accounts.

THE BALANCE SHEET

This is a “snapshot” of the situation at any given moment. It includes two types of information, corresponding to two basic questions: **“Where is the money coming from?”** and **“Where is the money located?”**

“WHERE IS THE MONEY COMING FROM?”

Does it come from the patrimony of the circumscription? From third party deposits? From sums of money received for projects? From Mass intentions? From various reserves? Etc.

This allows us to distinguish two main categories: is it money belonging to the circumscription or not?

The circumscription can dispose of money which belongs to it as its own and which has no fixed destination. For the remainder, one is only a custodian and it has to be accounted for to others.

These are called LIABILITIES¹. It is all goods that the circumscription has to manage and for which it is responsible.

“WHERE IS THE MONEY LOCATED?”

The question is simple: where, physically, materially, is this money? It can be very “liquid”, thus available (cash, bank account), or less available (bank deposits for more or less long term). It can also be unavailable: money placed in land, in buildings, in vehicles, or equipment is always part of the fortune, it’s a real possession, but it is not immediately useable for daily economic activity. Money can also be lost, unfortunately, if it has been lent to debtors who do not repay, or invested in projects without a future.

These are called ASSETS. This gives us the cash position, and shows us the amounts actually available for daily business, as well as the real situation of the circumscription; where money has been placed and what is actually still available and useable now and for the future.

LIABILITIES: WHERE IS THE MONEY COMING FROM?

1. Foreign capital

- Masses
- Confrères’ deposits
 - + Mission accounts
 - + Patrimony accounts
- Deposits by third parties (lay persons, religious)
- Dioceses – parishes
- Projects

¹ The terms “assets and liabilities” does not correspond exactly to the notions of “actif et passif” in French. Some adjustments have to be made.

- Creditors (debts)
 - + Suppliers
 - + Borrowings
- Funds and reserves (for Formation – retirement – insurance – buildings – vehicles, etc.)

2. Own capital

- Available capital (the circumscription's own patrimony)
- Real estate (buildings, vehicles, machines, etc.)

ASSETS: WHERE IS THE MONEY LOCATED?

1. Liquidities

- In the safe
- Bank – post-office account
- Procures

2. Debtors (creditors)

- Third parties
- Customers
- Confrères

3. Long term investments

- Portfolios

4. Real estate

- Buildings, land
- Vehicles
- Stock

INCOME AND EXPENDITURE ACCOUNTS

These give the long-term story, how the accounting is moving, by listing income (receipts) and expenditure (expenses).

These are also called *Profit and Loss accounts*. They allow one to see gains and losses at year-end.

3.4.1.2 DAY-TO-DAY ACCOUNTING

- It is important to **keep accounts up to date**, whether in the JOURNAL or other accounting books, or by means of appropriate software on computer. In this way you can monitor the development of the financial situation.
- Keep to **the system of double-entry accounting** and respect the historical cost of the transaction.
- **CASH and BANK:** Avoid having a lot of cash on hand, even if it is in a safe. From time to time, we hear of safes disappearing, together with their contents! It is better to have on hand only the minimum necessary for immediate needs. All other money or financial instruments should be kept in the bank. Obviously, the banking institutions of the country must be reliable!
- **SIGNATURES:** It is good to remember that the Rule of Life establishes that “*the possessions of the Congregation are never registered under a single signature*” (SRL 231.1) and that “*the same rule applies to the personal bank accounts required by some civil authorities*” (231.2).
- **BANK RECONCILIATION:** Banks can make mistakes (which is rare ...), but the bursar can also make mistakes, either when filling cheques or entering bank transactions. It is necessary to check the bank statements closely and compare them with the bank records.
- **LONG-TERM DEPOSITS and INVESTMENTS:** Interest can be gained on disposable cash, depending on the amount and its availability, in two ways:
 - 1) by opening short or long term accounts (1 month, 3 months, 6 months, 1 year or more). It is necessary to check what the bank is offering, and, if possible, **negotiate the best terms!**
 - 2) by creating a portfolio of financial investments (stocks and shares). In this case, it is better to **seek advice** from a specialist.

3.4.2 ADMINISTRATION OF CAPITAL, FUNDS AND RESERVES

Capital under management is of three kinds:

- 1) **DISPOSABLE CAPITAL** is capital that is available for administrative needs (ordinary or extraordinary). It is the result of accumulated surpluses. Here we mean capital which belongs to the circumscription, i.e., the assets remaining after we subtract debts and everything that belongs to third parties. This capital may be invested for the short or long term, may be available in a bank account (or on the account of a Procure).
- 2) **RESERVES** are set up with a specific aim: formation, building, vehicles, health, etc. The money is used according to the need for the specific purpose, and it is recorded in the relevant reserve account. This is the only way to monitor how much is in the reserve. Think about **building up the reserves**, in view of needs. One can set aside part of the surpluses arising at the end of the financial year.
- 3) **FUNDS** are set up with a specific aim, like reserves, but they function differently. Funds represent capital that is invested, and **only the interest is used** for the purpose of the fund. The invested capital may not be used, but may be increased. This may be done by leaving part of the annual income in the fund.

A fund represents immovable capital, and is therefore recorded as a liability, even if, in reality, it corresponds to a fixed capital. Setting up or dissolving a fund is an **extraordinary administrative act**. It requires a decision of the circumscription council.

There are funds which have been set up by benefactors to support Spiritan works. **Any conditions or clauses** attached must be respected. In every case, the will of the donor is paramount.

3.4.3 ADMINISTRATION OF THE FIXED ASSETS

- A. **MOVEABLE AND IMMOVABLE GOODS:** The bursar should always have an inventory of the goods of the circumscription, both movable and immovable.

This inventory concerns particularly:

- **Immovable goods: lands and buildings**
- **Vehicles and Equipment**
- **Works of Art and other valuables** (paintings, sculptures, stained-glass windows, rare books, coins, stamp collections, etc.)
- **Documents of historical or cultural value** (documents, relics, books and others, with a significance for the history of the country, the region, the locality or the Congregation).

B. **PROPERTIES (Buildings/Lands): Purchase/Sale/Preservation**

- Properties represent **capital that is invested** at the service of the circumscription. They can be used in three ways:
 - 1) for Spiritan purposes (community, administration, formation);
 - 2) for pastoral purposes (Spiritan work or for the local church);
 - 3) to generate income for the Congregation.
- **The Purchase or sale** of a property should follow the rules set out in the Rule of Life, i.e., it requires a decision of the circumscription council. In some cases the approval of the General Council, or of the Holy See, is required.
- The **preservation of properties** is a right and a duty of the circumscription bursar, with the help of local bursars.
- Buildings should not be allowed to deteriorate before deciding to repair, renovate or improve them.
- Important restoration or renovations, as well as improvements, which are expensive, require a decision of the council of the circumscription. An **extraordinary** budget can be made for them. Long term planning is necessary.
- An unused property doesn't generate the income it should, and it deteriorates. If it is not possible to find a use for it, or to rent

it, it is better to sell it and use the money for income generating purposes.

- Make sure that all properties are **insured**.
- Make sure that all properties are **registered in the name of the Congregation**.

C. EQUIPMENT/VEHICLES: Purchase and Upkeep

- It is the circumscription bursar who purchases all vehicles and equipment for the circumscription (administration, formation, etc.). He also has responsibility for extraordinary maintenance. He can delegate this to the community or those in charge of works where the vehicle or equipment is used, when they are able to do it.
- He registers them in the name of the circumscription or Congregation, and keeps an up-to-date list/inventory.
- We **avoid luxury** and ostentation. We purchase when there is real need. We buy hard-wearing and functional items.
- **Vehicles do not belong to the confreres**, but to the community or work. However, a confrere can be given the use of a car, for whose ordinary upkeep he also becomes responsible. But it should be very clear that the car does not belong to him, and that other confreres should have access to it in case of need. There can certainly be no question of taking the car when one changes mission or community!
- **Mission vehicles** normally belong to the mission and are registered in the name of the diocese, unless the vehicle is purchased with circumscription funds. Even in this case, the bishop should be informed and it should be made clear that the vehicle belongs to the circumscription and not to the diocese.
- Vehicles or equipment which are at the service of the circumscription (administration, formation, etc.) are registered in the name of the circumscription or the Congregation.

- Make sure that vehicles are **maintained regularly and properly**. Maintenance is costly, but we save a lot by preventing major breakdowns. It is good to use the same garage for maintenance.
- Don't forget to keep **insurance** up to date.

3.4.4 EMPLOYEES

We need employees in almost all our houses. Here are some principles to keep in mind, arising out of experience or the situations in different countries and circumscriptions.

- 1) When taking on a **new employee** there should always be a **signed contract** in accordance with the relevant laws of the country.
- 2) **We must respect the contract, the working hours and the rights of the person.**
- 3) While allowing flexibility, we must **require that the employee also respects the contract and working hours.**
- 4) Hiring or firing an employee should never be decided by the bursar alone. He must always seek the agreement of the community or the circumscription council.
- 5) It is good to reflect before creating a new position, as this involves **social obligations** (social security, insurance) and a salary commensurate with the qualifications of the individual.

3.4.5 TAXATION

There are two different concepts:

- **RATES and CHARGES** are linked with public services provided by local government, councils, or other public institutions².

² For example, the tax that one pays to be connected to the water supply and sewerage, garbage collection, etc.

- **TAXES** are a citizen's duty to the State, which enable the latter to provide and maintain public services and infrastructures³.
- All taxes owed must be paid **fully and within the time limits**, under pain of fines or other sanctions which not only affect the finances of the community or circumscription, but which could damage the public image of the Congregation and of the Church.

3.4.6 INSURANCE (HOUSES, CARS ...)

Normally, it is the circumscription bursar who is responsible for the insurance of houses and all cars. He ensures that **all insurance is valid** and he is the contact person with the insurance company in case of accident. Some advice:

- From time to time, the circumscription bursar should remind community bursars about the **procedures** to be followed, so that they can inform and advise confreres as to what they should do in case of an accident.
- One should know which **insurance is obligatory** and what is recommended in each country.
- Car and accident insurance is obligatory everywhere, at least **third-party insurance**.
- Ideally vehicles should have comprehensive insurance, but that is quite costly. It would be good to insure them against fire and theft, at least.
- It's also necessary to be attentive to insurance terms. When an insurance contract ends, it is the opportunity to renegotiate the insurance benefits and bonuses, and to put also in competition several companies to obtain more favorable conditions.
- **The insurance of houses** is not obligatory in every country, but it is always recommended, at least for fire and theft. It is also a good way of getting an up-to-date commercial value for our properties,

³ For example, the tax on salaries, on ones capital in the bank, on income, wealth tax, real estate transactions, contributions to the health system, for retirement, etc.

since insurance companies base their rates on the current value of the property. In general, they have their own experts to carry out the valuation.

3.4.7 HEALTH INSURANCE – THE EMI

According to SRL 231.5, “*Circumscriptions take the steps necessary to insure their members against illness and pay into a retirement or pension fund*”.

- Many circumscriptions have difficulty in fulfilling this requirement of SRL, because they do not have an efficient social health service in their countries. It is possible to enrol in a **foreign scheme** but this can be very costly.
- Currently, confreres from many circumscriptions are affiliated with the EMI *Entraide Missionnaire Internationale* (IMS - International Missionary Benefit Society).⁴
- All the circumscriptions whose confreres are not yet enrolled or whose conditions of insurance are not good, can and are invited to adhere to the EMI. There are several different options, the best (and most expensive) being **option 1**. It entitles the beneficiary to refunds all over the world, whatever the country where the medical care is given. Besides, this option includes the refund of medical evacuations up to 80%; the remaining 20% is borne by the group.
- The best option for circumscriptions who do not have sufficient financial resources is **option 4**. it entitles the beneficiary to refunds of medical expenses in the mission country or the countries adjoining the mission country. But this option is only available in countries that are defined by the EMI.⁵ This option does not entitle the beneficiary to the refund of medical evacuations.

⁴ Health insurance under Swiss law was created in 1965 at the request of the European Conference of Major Superiors who wanted to ensure health care for missionaries. Currently, Dioceses and even groups from other religions (protestants and Muslims) can join EMI.

⁵ Most countries where Spiritans work are on the EMI list.

- In any case, when a confrere travels abroad it is always better to take out insurance for that particular journey. This costs less than taking another EMI option.
- It should be known that **EMI does not accept individual subscriptions. Only collective subscriptions.** For option 4, for example, it is the circumscription with all confreres that takes a subscription for three years without changing option. However, the circumscriptions who cannot or do not want to adhere as a group, can always register individual confreres in the group “Spiritains Paris” which is managed by our Missions Procure in Paris.
- For those who are already members of the EMI it is important that the confreres who seek medical care ask for the bills, so that the bursar can send them to the EMI group manager. When the documents are not written in French, a translation should be attached.
- For more information or for new subscriptions, it is better **to contact the person in charge of the EMI at the Procure in Paris** or to contact the Generalate in Rome.

3.4.8 PATRIMONY AND CONFRERE’S WILLS

Some confreres have what are called **patrimonial goods**, generally as a result of family inheritances, which can include property or money or both.

- According to SRL 64, *“We can retain the ownership of our patrimonial goods and can acquire more. Before making profession, we cede the administration of our goods to a person of our choice and we decide how the income from such property shall be used. These arrangements may be changed or revoked only with the agreement of the superior of the circumscription.”*
- Generally, confreres deposit their money with the provincial bursar, and are informed of earnings on it. But according to SRL 67, they can renounce their patrimony: *“A member who is perpetually professed may with permission of the Superior General renounce his patrimony, wholly or in part, to the benefit of whomever he may wish.”*

- As long as the confrere is living or has not renounced his patrimonial goods, he is in law the legal owner of them. Therefore, the patrimonial goods of confreres appear in our accounts under LIABILITIES, just as do all funds administered by our Procures for third parties.

Regarding **wills**, SRL 66 says: *“Before making profession, each one draws up a will, valid in civil law, by which he disposes of the goods he possesses or might in the future acquire. This will may be changed only with the authorisation of the superior of the circumscription or, if the case is urgent, of the local superior.”*

- Major superiors regularly remind the confreres to check the validity of their will. These wills are kept by the circumscription secretary.
- A sensitive aspect of a will which is often difficult to raise, and which can cause a lot of problems with families, is the question of a **final resting place**, in case of death. It is easy to put one’s wishes in writing and to leave them with the circumscription secretary.

3.4.9 GIFTS, LEGACIES, BENEFACTORS

SRL 65 is very clear about the ownership of all monies received by confreres, no matter its origin: *“Whatever we receive as a gift or in payment for our work – gifts, salaries, pensions, grants, insurance benefits, mass stipends, and every other income we may derive from our work – belongs to the Congregation”* (Can 668,3).

For many circumscriptions **gifts** are the major source of income which finances our missionary project. It is good to keep certain principles in mind.

- When accepting a gift, we should be sure that it is not the fruit of anything which is contrary to our Christian and Spiritan ethical principles.
- We have **to respect the intention of the donor**, particularly when the gift is designated for a project or a social work.

- We should always be careful **to thank donors**, even for small gifts. If we do not thank people, we may not receive further donations from them.
- We should also remember our donors and benefactors in our prayer.

It often happens, particularly in the older circumscriptions, that we receive **legacies** from people we don't know. Some tell us beforehand and send copies of their wills, which should be kept by the circumscription bursar. In other cases, we only find out after their death, through their lawyers. **Before accepting a legacy, we should carefully study any conditions attached.** Sometimes, there are conditions attached which commit us into the future, and which we cannot fulfil. We should not leave difficult or impossible commitments to the confreres who come after us.

3.4.10 LEGAL PROBLEMS (DOCUMENTS, LAWYERS...)

- The bursar must be very careful with respect to the laws of his country governing finances, and labour relations (in respect of employees). He must be aware of these laws.
- He calls on experts, when necessary.
- It is important to have a legal firm or lawyer for advice or to represent the Congregation in case of legal actions.
- He keeps carefully all property documents, as well as other official or legal documents concerning the circumscription.

4. STRATEGY NETWORKING

To make life easier for the bursar, and to increase the chances of a successful administration of goods, he should try to involve people at all levels in this administration. **Information, formation and good relations** with various agents or bodies are important elements in a good strategy for success.

Always remember that, while money is a **source of power**, it is also a **source of conflict**. The bursar may remain an open and simple man, but he has every reason to be professional when it comes to management or rendering accounts. This is particularly important when his role takes him outside the community or circumscription into contact with other bodies, be they ecclesial, religious or civil. One should always be **clear and precise in acts of administration or management** which commit the community or circumscription vis-a-vis such bodies.

4.1 CONFRERES AND YOUNG PROFESSED: FORMATION/INFORMATION

4.1.1 KEEP THE CONFRERES INFORMED

The bursar is above all a **member of the community**. In the first few chapters, we also said that the bursar should not regard the bursarship as a personal affair. He must make the confreres aware of the need for co-responsibility and their participation in managing well the goods of the community or the circumscription. He also makes them aware of their part in seeking financial autonomy. For all this, the bursar must be a **good confrere and a good communicator**. In this way, he makes his task easier, and avoids the kind of criticism of bursars that, unfortunately, is heard in many communities.

The bursar should also keep the Superior and his council **regularly informed** of the financial situation of the community or circumscription, as the case may be. He keeps them informed also about all problems which impact on the good administration of goods.

4.1.2 FORMATION OF YOUNG CONFRERES

The bursar of a circumscription must keep close contact with the houses of formation: firstly, to participate in the running of these houses, whose budget takes a substantial part of the budget of the circumscription; and secondly, to help young confreres in formation become involved in the economic matters of their house, for example, by taking part in the self-reliance activities of their house of formation and therefore prepare themselves for the Spiritan, religious and missionary life.

This presence or involvement with the young confreres who are still in initial formation must always be in dialogue with the people in charge of formation, especially the local bursar and the Director.

The best approach would be to include a course on economics and finances, whose content could be part of this workshop - for example: the spirit of poverty and Spiritan tradition; co-responsibility; solidarity; administration; accountancy; investments; projects; and sustainable development.

4.2 RELATIONS WITH COMMUNITY BURSARS

ACCOMPANIMENT / TECHNICAL ASSISTANCE FOR COMMUNITY BURSARS:

It is important to have ongoing contact and good relations with bursars of communities/works, if possible through regular visits. SRL (174.3) says that the bursar of circumscription “*shall provide technical assistance to the bursars of communities*”.

An annual meeting is obligatory in large circumscriptions (174.1); this meeting could be used, not only for a presentation on the financial situation of the circumscription and communities, but also for training in certain areas by bringing in an expert if necessary.

4.3 CIRCUMSCRIPTION COUNCIL

THE BURSAR IS A MEMBER BY RIGHT OF THE CIRCUMSCRIPTION COUNCIL:

- He presents the accounts and budget annually for approval.

- He gives regular updates on the financial situation and accounts of the circumscription.
- He advises on financial or administrative acts beyond his competence and seeks approval for them (sale or purchase of properties or major equipment, for example).
- He gives advice and counsel when decisions have financial consequences for the circumscription.

4.4 FINANCIAL COUNCIL OF THE CIRCUMSCRIPTION

Every circumscription should have **an expert** to help and advise the bursar in his administration and the Council in its decisions. Large circumscriptions should have **a committee of experts** in several areas (law, accounting, finance, investments, etc.):

- The experts may be confreres or lay persons;
- They should be named for a specific period (example, 5 years) renewable;
- They should be chosen for their expertise, and not because of their relationship to the superior or bursar;
- Some tasks for these experts: review accounting systems, monitor compliance with financial and labour law, assist in contacts with the authorities, check the balance sheet, help prepare the budget, advise on investments, etc.

4.5 RELATIONS WITH THE GENERAL ADMINISTRATION

- The circumscription bursar sends a financial report to the General Bursar each year, with a summary of the yearly accounts (income and expenditure), the balance sheet at year's end (assets and liabilities + capital), the budget for the following year, the contribution to the General Administration, and donations and requests for Cor Unum. The Bagamoyo Chapter has also introduced voluntary solidarity funds for apostolic projects and an emergency fund (5.8-5.9).

- Even if accounting systems differ from country to country, the reports and budgets should follow the schema which is sent to every circumscriptions so that the General Bursar's office won't have to do all the calculations necessary for an analysis of the data.
- Contact between the circumscription bursar and the General Administration shouldn't be limited to this administrative task laid down by SRL. He tries to maintain an ongoing dialogue with the General Bursar, giving information, seeking advice, etc.
- According to SRL (174.2), the General Bursar should regularly check the accounts and balance sheets of the circumscriptions. SRL does not say how regularly⁶, which gives the General Bursar the freedom and the duty to do so when he finds it necessary.
- As regards administrative acts which require the agreement of the Superior General and his Council, it is the Superior of the circumscription who makes the request to Rome.

4.6 PROCURES – ADMINISTRATION OF NON-SPIRITAN GOODS

- The service of Procures should be seen as **a service to the local missionary church**. Formerly, Procures accepted money from third parties. We must put an end to such practices.
- The recent history of some Procures, involved in mismanagement, misappropriation of funds or lack of transparency, with serious damage to their circumscription and to the entire Congregation, bring us to take some decisions, taking into account the orientations of the General Chapter of Bagamoyo, which asked for:
 - An assessment based on local legislation of the risks involved in holding non-Spiritane accounts (5.4.4);
 - A move to eliminate non-Spiritane accounts in the short term (5.4.5).

⁶ one supposes at least “annually”

4.7 RELATIONS WITH BENEFACTORS

- Looking at the history of our circumscriptions, we see that a very large number of benefactors and friends have associated themselves with our missionary projects. Sometimes they share their money and their time, volunteering to help with missionary animation or administration. Their support for our mission is indispensable. Bursars of circumscriptions or communities must be attentive in **thanking people for their services and their contributions**, by inviting them, for example, to join our communities for the major feasts of the Congregation and to remember them in our prayers.
- Supporting the Congregation's projects amounts to supporting the mission of the Church. In this respect, we build up amicable relations with our benefactors. Unfortunately, certain confreres seek **their own personal benefactors** without any sense of community or Congregation, and who do not account for gifts received. We have to discourage such practices, because they sometimes give a negative image of the circumscription or the Congregation.
- There is a need for **discernment** before accepting gifts or entering into friendship with our benefactors. Experience teaches us not to be naïve.

5. REPORTS TO SEND ANNUALLY TO THE GENERAL BURSAR IN ROME

→ Please, send your contribution before 15th of April 20xx

Circumscription: _____

STATEMENT OF INCOME AND EXPENDITURE⁷

1. INCOME / EXPENDITURE ACCOUNT

* 01/01/20xx... - 31/12/2xx

	Expenditure	Income
Administration of the Circum- scription		
EXPENDITURE Construction		
Formation		
Cor Unum participation		
Direct Aids (CSSp)		
Other expenses		
INCOME Local Income		
Cor Unum allocation		
Direct Aid (CSSp)		
Other grants & allocations		
Communities & Works		
EXPENDITURE		
INCOME Local Income		
Grants & allocations		
TOTAL		
SURPLUS / LOSS		

⁷ Include also extraordinary income (the sale of properties, donations from international organizations, subventions from Rome, Cor Unum, etc.) and extraordinary expenses (purchase of properties, buildings, renovations, purchase of vehicles, etc.).

2. BUDGET for the following financial year

*** 01/01/20xx - 31/12/20xx**

	Expenditure	Income
Administration of the Circumscription		
EXPENDITURE Construction		
Formation		
Cor Unum Contribution		
Direct Aids (CSSp)		
Other expenses		
INCOME Local Income		
Cor Unum allocation		
Direct Aid (CSSp)		
Other grants & allocations		
Communities & Works		
EXPENDITURE		
INCOME Local Income		
Grants & allocations		
TOTAL		
SURPLUS / LOSS		

Notes & Comments: You may attach additional information, especially regarding extraordinary expenses (purchase of properties or new vehicles, constructions, important works of renovation, etc.) and extraordinary income (sale of properties, grants from donors or funding agencies, subventions from Rome, etc.)

Date ___ / ___ / 20xx Superior: _____

Bursar: _____



Circumscription:

BALANCE SHEET date 31 / 12 / 20

	20	20 **
A. ASSETS		
A1. SHORT TERM ASSETS or CURRENT ASSETS		
1. Liquid Assets		
1.1. Cash / Petty Cash		
1.2. Banks		
1.3. Saving accounts		
2. Bank deposits * less / 1 year		
3. Procures		
4. Accounts receivable (A/R), loans		
5. Accounts paid in advance (P/A)		
SUB TOTAL SH. T. ASSETS		
A2. LONG TERM ASSETS		
1. PORTFOLIO: Shares, Bonds		
2. Bank Deposits * + / 1 year		
SUB TOTAL L. T. ASSETS		
A3. FIXED ASSETS		
1. Land, buildings		
2. Vehicles, equipment, furnishings		
SUB TOTAL FIXED ASSETS		
TOTAL ASSETS *		

B. LIABILITIES & CAPITAL	20	20	**
B1. LIABILITIES			
1. Accounts payable: debts, loans, mortgages	_____		
2. Deposit from others * Procure, etc.	_____		
3. "Patrimony" of Confreres	_____		
4. Mass intentions	_____		
5. Other	_____		
SUB TOTAL LIABILITIES	_____	_____	
B2. FUNDS and RESERVES			
1. Retirement Fund	_____		
2. Health Insurance Fund	_____		
3. Formation Fund	_____		
4. Reserve for buildings, renovation	_____		
5. Reserve for vehicles	_____		
6. Other Funds or Reserves	_____		
SUB TOTAL FUNDS and RESERVES	_____	_____	
B3. FIXED CAPITAL			
1. Buildings, land	_____		
2. Vehicles, equipment, furnishings	_____		
SUB TOTAL FIXED CAPITAL	_____	_____	
B4. CAPITAL			
CAPITAL at the beginning of the year	_____		
PROFIT (+) or LOSS (-) during the year	_____		
CAPITAL at the end of the year	_____	_____	
TOTAL LIABILITIES + CAPITAL *	_____	_____	

* The end figures of ASSETS and of LIABILITIES + CAPITAL should balance.

** You can include the results of the previous year for comparison

The Annual Report is obligatory, according to the Rule of Life. SRL 175.4 states that the financial report and the budget must be “**approved by the Superior of the circumscription**”, with the consent of his council.

This report comprises:

- 1) The **Statement of Income and Expenditure (Profit and Loss)** during the last financial year
- 2) The **Budget** for the following financial year.
- 3) The **Balance Sheet**, with the ASSETS and LIABILITIES + CAPITAL;
- 4) The **Assessment of the Council of the Circumscription** on the financial situation and its adequacy with the needs of the circumscription.

Please, try to always send your financial reports for the General Administration in EUROS or US DOLLARS.

5.1 FINANCIAL STATEMENT OR STATEMENT OF INCOME AND EXPENDITURE

This is a statement of all INCOME (revenues) and EXPENDITURE (expenses) during the past financial year and it shows the NET INCOME (net revenue), i.e., the PROFIT or the LOSS.

- A financial report is required at the level of the administration of the circumscription but also at the level of the communities and works of the circumscription.
- It is advisable to always add **some notes or comments** to help with a better understanding of the statement, especially if there are extraordinary revenues or expenses.
- With regard to the INCOME, you should indicate separately the revenues produced by the circumscription and the confreres and the revenues which result from external subsidies or grants.⁸

⁸ Cor Unum, Direct Aid, gifts from benefactors, financing by funding agencies, etc.

- Circumscriptions which call upon professional accountants or auditors for checking their accounts should attach the report of these experts. But those reports or “audits” cannot replace the reports asked for by the General Bursar!
- Care must always be taken not to mix the accounts of the circumscription or communities and spiritan works with accounts concerning the dioceses, the parishes or the projects in which the conferes are involved.

5.2 BALANCE SHEET

- In order for the General Administration **to have some standardization**, bursars of circumscriptions are asked **to use, as far as possible, the forms sent by the General Bursar** for the presentation of the annual financial reports. Even in those countries where there is a different system of accountancy, use these forms, when making calculations or minor necessary adaptations.
- The financial report must be rigorous and “transparent” (Maynooth 4.24), so as to present a fast and easy analysis of the financial situation of the circumscription.
- It must show clearly the accounting equation:

$$\text{ASSETS (what money we have and where it is)} = \text{LIABILITIES (what we owe)} + \text{CAPITAL or EQUITY (the capital of the circumscription)}$$
- Do not forget to put in the title of the report the name of the circumscription and the date (normally the 31st of December) and the currency used in the report (Euros as far as possible)

5.2.1 THE ASSETS

The **Assets** means **the goods of which the Bursar has the administration**. These goods can be moveable goods (money, investments) or immovable goods (buildings, land, equipment, vehicles, furniture, etc.). You must make an inventory of existing money and where it can

be found and **distinguish the short-term Assets, the long-term Assets and the fixed Assets.**

A) SHORT-TERM ASSETS (current assets): It shows how much money the circumscription has available and where it is. It is not important to know whom the money belongs to; it is under **Liabilities & Capital** that we will make the distinction).

1. **Cash (Petty Cash)**
2. **Bank accounts**
3. **Savings accounts**
4. **Spiritan Procures (or other deposits)**
5. **Accounts receivable or paid in advance, loans**

Some clarifications:

BANK: The money available in bank accounts, that is to say, in current accounts or in deposits of less than one year. You need to check the last bank statement of the year. *NB: do not forget to make the “bank reconciliation”, i.e, to compare your own bank account records to the bank's statements in order to uncover any possible discrepancies.*

PROCURES: For practical purposes, we can consider the procures from other circumscriptions like to banks. We use this money for national or international transfers and it is what is done all the time. Therefore, if your circumscription has money in Rome or in the procures at Paris, or Knechtsteden or others procures, you must put it in the assets. Long-term deposits in Fribourg, for example, are a different matter. These should appear under investments (long-term assets).

ACCOUNTS RECEIVABLE or PAID IN ADVANCE: Accounting must include this information, especially when they are recorded in the book-keeping and the sums are considerable. It is money that belongs to us, in accounting terms, even if we do not have it yet or we do not have it any more. It is, therefore, an asset.

- 1) An **account receivable** can be a loan that we gave to an employee or a debtor account that we have in our list of the procure.
- 2) An **account paid in advance** is an invoice of the insurance paid in December, but concerning the year to come.

B) LONG-TERM ASSETS (Investments): It is a question of knowing how much money the circumscription has invested:

1. **Portfolio, (shares, bonds, etc.)**
2. **Bank deposits (+ 1 year)**

It should be noted that the interest on these investments does not appear in this asset, unless they are reinvested, i.e., added to the portfolio or bank deposit. If not, they must be registered as revenue and they must appear in the statement of income and expenditure.

C) FIXED ASSETS

The wealth of the circumscription can be tied up in properties, i.e., in land, buildings, vehicles, machinery, etc. It is important to have an estimate of these immovable goods through an up-to-date inventory. Please, indicate in the form the estimated value of these items:

1. **Land and buildings**
2. **Vehicles, plant and equipment**

Some clarifications

LAND, BUILDINGS: Please, consider only the properties which are registered in the name of the Congregation. In the Report for the General Administration, give only the overall value of these goods.

VEHICLES, PLANT and EQUIPEMENT: Concerning the vehicles, you can put the cost price (except if the law of the country obliges you to allow for depreciation). Regarding equipment, machinery and furniture, you need to consider only the more expensive items that are in good condition.

5.2.2 THE LIABILITIES + CAPITAL / EQUITY

We recall what the **LIABILITIES + CAPITAL** correspond to. These indicate to whom the goods belong or the value of the **ASSETS** administrated by the circumscription: which are the goods of the circumscription (**Capital or Equity + Funds and Reserves**) and which goods belong to others (**money in the procures, debts, etc.**)

We will not distinguish between “long-term liabilities” and “short-term liabilities”, because for us the important thing is to distinguish between what belongs to the circumscription and what belongs to others.

A. **LIABILITIES:** This refers to the money or the goods which we administer, but which do not belong to the circumscription. For example:

1. **Money held for others (Procures)**
2. **Patrimony of Confreres**
3. **Accounts payable: debts, salaries, loans, mortgages...**
4. **Masses to be celebrated**
5. **Other liabilities**

Some clarifications:

PROCURES: There are some circumscriptions where the accounts of the procure are completely independent from the circumscription accounts. In this case, there is no need to make mention of it in the balance sheet (but you can add a note about it).

PATRIMONY OF CONFRERES: In some circumscriptions, the patrimony belonging to confreres is managed by the bursar. Even if it is clear that this patrimony will come to the circumscription eventually, juridically it is simply an asset under management.

ACCOUNTS PAYABLE: In order to simplify, we consider here all the money that the circumscription owes to other people, banks or institutions. We still have the money, but it no longer belongs to us.

MASSES TO BE CELEBRATED: We have already received the stipends, but the money does not belong to us until we have celebrated the masses.

- B. **FUNDS and RESERVES:** This means capital which belongs to the circumscription, but which can only be used for specific purposes.

We distinguish:

THE FUNDS: By definition, only the interest on the fund can be used, and that only for the purposes of the fund. The capital should not be touched, but may be increased. A circumscription can set up several Funds. These funds should be approved by the circumscription council. The most common are:

1. **Retirement Fund**
2. **Health Fund**
3. **Formation Fund**

THE RESERVES: This refers to money which has been set aside for the future needs of the circumscription. It is used when the need arises. The most common examples are:

1. **Reserve for buildings, renovations, etc.**
2. **Reserve for vehicles (new vehicles or major repairs)**

- C. **FIXED CAPITAL:** This refers to properties, cars, valuable furnishings and equipment. Good accounting practice records them simply as capital. It is important, however, for the bursar **to know what capital is available to meet the needs of the circumscription** in the medium or short term, or to meet the projections of the budget. Therefore, **for practical accounting purposes**, we prefer to separate “fixed capital” and disposable capital. In order to simplify things, you can put here the same figures that you have used in “FIXED ASSETS”, unless the law of the country obliges you to include depreciations.

1. **Land and buildings**

2. Vehicles, plant and equipment

Some clarifications

Fixed capital or just capital? Normally, properties, vehicles, furniture and more valuable equipment is the capital of the circumscription, though they are fixed. In the accounting practice of a company or a business, these simply appear as its own capital. But having a highly-valued property⁹ does not automatically mean “wealth” for the circumscription, at least in immediate financial terms. Indeed, this kind of building also involves considerable costs for maintenance and renovations.

What is most important for a bursar of a circumscription is to know the available capital on which he can rely for the implementation of the annual budget and its short to medium-term needs. For practical accounting purposes, therefore, we prefer to separate the fixed capital from the available capital.

DEPRECIATION/AMORTIZATIONS: In some countries, the law requires that fixed assets be amortized. Thus, their value on the balance sheet could be zero.¹⁰

D. DISPOSABLE CAPITAL or NET ASSETS: This is money available to the circumscription for which there is no specific purpose. They are, therefore, the available resources of the circumscription. It was formerly, and wrongly, called the “General Reserve”. Technically, however, it is not a reserve.

The available capital at the beginning of the year should correspond to the available capital at the end of the previous year (B4).

⁹ For example the Mother House in Paris

¹⁰ This can lead at times to rather ironic outcomes such as, for example, a property bought 50 years ago may appear on the balance sheet with zero value even though it may be more valuable now than when it was purchased. This is especially true in countries where there is very high inflation

This capital is increased or decreased each year, according to whether there has been a profit or loss. It is presented, therefore, like this:

$$\begin{aligned} & \text{AVAILABLE CAPITAL at the beginning of the year} \\ & + \text{PROFIT or - LOSS during the year} \\ & = \text{CAPITAL at the end of the year} \end{aligned}$$

5.3 THE BUDGET FOR THE FOLLOWING YEAR

- The BALANCE SHEET and the STATEMENT OF INCOME AND EXPENDITURE should be completed with the BUDGET for the following financial year.
- It is prepared by the bursar and presented to the superior, who examines it and approves it with his Council.
- A budget must be realistic and take into account the results of the previous year.
- It must also take into account the economic evolution of the country and, especially, the inflation rates.
- A budget must not include a deficit. The preparation of a budget is an opportunity to manage ones resources and to foresee the means at ones disposal to arrive at a balanced budget. If a deficit is foreseen, then you must either increase income or reduce expenditure.
- The extraordinary expenses should not be included in the ordinary budget, but be presented apart.
- The expenses should not be increased simply because there is money available. It is necessary also to think about the future by increasing, for instance, the funds or the reserves.
- Once approved by the superior and the council of the circumscription, the bursar has the right and the duty to implement it.
- However, the budget must be submitted to evaluation and periodic revision during the year. Where necessary, the bursar can request from the Council of the circumscription an increase of the budget.

5.4 ASSESSMENT OF THE COUNCIL OF THE CIRCUMSCRIPTION

- The financial reports should not just include figures: they are accompanied by notes and comments which can help the persons in charge to understand the financial transactions and the evolution of the financial situation of the circumscription.
- Please note that the General Chapter of Torre d’Aguilha (7.6) asked that it should also include **“an assessment of the ability of your finances to meet the needs of your circumscription”**. This evaluation must be made by the Council of the circumscription, having examined the reports drawn up by the bursar of the circumscription with the help of his financial council.
- The General Chapter of Bagamoyo asked us to take into account the priorities of the circumscription and the Congregation, when establishing the budget (5.4.3).
- An audit by professional firms can be a useful and important tool in the independent, systematic and meticulous financial analysis of the situation of a circumscription. The aim is to establish whether the activities carried out are in line with the budget, if there is transparency, and if adjustments are necessary for a sustainable financial balance.

6. REPORTS WITHIN THE CIRCUMSCRIPTION

6.1 THE ANNUAL REPORT TO THE COUNCIL OF THE CIRCUMSCRIPTION

- According to the Rule of Life, these three elements **must be formally approved** (deliberative vote) by the Council of the circumscription (SRL 173.4). This means that the bursar must submit each year his financial report to the Major Superior and his Council for their consideration and approval.
- Before approving them, the Council of the circumscription will examine them and give its view on **the financial situation of the circumscription**. This assessment will then be sent to the General Administration, together with the different elements of the financial report.
- It is important that this report be submitted in plain terms which are understandable to all the members of the Council. The bursar will give all the necessary explanations, before it is approved.
- **The life of the circumscription, including the financial aspects, is the responsibility of all the members of the Council.** It is good neither for the circumscription nor for the bursar that the financial life of the circumscription be considered the “business” of the bursar alone.
- In some countries, the law insists that the accounts of the Congregation be presented as the accounts of any other association or institution. Sometimes, if this is the case, there will be a need to call upon the services of professional accountants.

6.2 THE REPORT TO THE CHAPTER OF THE CIRCUMSCRIPTION

- The Rule of Life (174) specifies that, at the time of the chapter of the circumscription, the bursar must present a detailed report on the financial situation of the circumscription.
- **The financial situation and financial problems of the circumscription are presented** (at least since the previous Chapter) in such way that the members of the chapter can make accurate decisions and establish guidelines for the future.

6.3 THE REPORTS OF THE COMMUNITIES

- The Rule of Life also specifies (SRL 173.3) that, in the communities, the local bursar *“every year shall present to the community and to the major superior a balance sheet and a budget which have already been approved by the superior and the council of the community”*.
- It is an occasion for the local bursar to inform the community about the financial situation of the community and **to invite all the confreres to be participative and responsible**.
- The bursar of the circumscription is invited to help **local bursars** who have difficulty in this field.
- Even if the Rule of Life speaks about a “balance sheet”, it is not obligatory, especially for the small communities, to produce an accounting report like the one for the circumscription. It is enough to present **the statement of income and expenditure**, i.e., the revenue and the expenses of the past year.
- The Council of the community approves the financial report and the budget before sending it to the Superior of the circumscription. He adds an overview on its finances and goods and their adequacy for the needs of the community.

7. THE PATH OF SELF-SUFFICIENCY

7.1 FINANCIAL AUTONOMY IN THE CONGREGATION

- We are a Congregation with a **decentralized organization** (like dioceses compared to the universal Church). That means that, for economic affairs, the circumscriptions and the General Administration function **independently** of each other. So no circumscription has authority to interfere in the economic affairs of another circumscription.
- According to the Rule of Life, **the circumscriptions must seek financial autonomy to provide for their needs** (life of the group and confreres, formation, etc.) - i.e. they should not depend either on other circumscriptions or on the General Administration in financial matters.
- The quest for **self-financing** does not necessarily mean **self-sufficiency**. There are circumscriptions that will arrive there quickly and there are others which will take much more time, especially when the economic situation of the country is poor. That does not absolve a circumscription from **aiming at self-sufficiency as a goal to be permanently sought**.
- This concern about sharing in the search for self-sufficiency will also be stressed for **the confreres in initial formation**, either through training courses specializing in this field of the economy, or through their participation in practical activities related to the economy of the houses of formation.¹¹

¹¹ e.g.: agriculture, the breeding of animals, mechanics, etc.

7.2 THE SEARCH FOR AUTONOMY

It is important that all communities collectively, and all confreres individually, should feel that the self-financing of the community and its works is their responsibility. It is the concern of all.

There are communities or institutions which will never be completely autonomous, but that does not prevent them from taking an active part in the search for greater autonomy, especially with regard to the daily functioning of their community or institution.

- **The ordinary expenses** of the circumscription/community (or of the parish /work) should be covered by local resources or contributions. The case of houses of formation is different.
- For **non-recurring expenses** (constructions, new vehicles, etc.) they should appeal for external assistance or grants.
- It is important for each community or house of **formation to identify local resources and to try to develop them.**

7.3 THE LOCAL RESOURCES

The search for financial autonomy will be helped by identifying local resources.

Here are **some examples of “local resources”**:

- salaries (confreres who are teachers, etc.);
- diocesan subsidies (parish priests);
- gifts from parishioners;
- mass intentions;
- mass offertory gifts;
- paid services (pastoral, conferences, retreats, etc.);
- retirement pensions;
- gifts from benefactors;
- campaigns, fundraising events;
- financing by NGOs or funding agencies, public administration, etc.;
- result of capital investments (bank interests, shares, bonds, etc.);

- income from renting properties;
- income produced by self-financing projects such as schools, farm produce, hiring out transport, etc.

Among these local resources, there are:

1. those which are **fixed** and whose results we can know in advance;
2. those which are **irregular** and can depend on various external factors;
3. those whose results **can increase or decrease** according to our own efforts; these are the most common. It is here where we should focus our actions.

7.4 INVESTMENTS

A good bursar is not just a good manager: he must also be a good investor. He should know how to derive profits from the assets of the circumscription. He must try to multiply the resources at his disposal.

- A. **WHERE TO INVEST?** In the wider sense, we can invest in personnel, money, machinery, real estate, projects, etc.
- B. **LIQUIDITY:** It is necessary to have liquid assets to invest. But we cannot invest the money needed to realise our budget, except in a temporary way with the possibility of making a profit.
- C. **PROFITABILITY:** is an essential criterion. It is necessary to choose only investments which are profitable, even if not in the short-term. For that, it is necessary to understand the laws of the market and to evaluate the risks before making a decision.
- D. **ETHICS and SPIRITAN VALUES:** As Spiritan missionaries, we cannot invest in everything nor at any price. We respect Christian values and the Spiritan tradition, while seeking a balance between these values and the need to benefit the missionary cause. We must be especially attentive to all that concerns human rights

and social justice and keep in mind our gospel witness: our goal is not to become rich but to facilitate our mission.¹²

Here are some suggestions for possible investments:

7.4.1 HUMAN INVESTMENTS

- **The confreres are the greatest wealth of a circumscription.** To work with them, to gain their confidence and to obtain their collaboration is the best way to maximize their capacities.
- To invest in **the people who work with us** is also a good strategy to gain from their service. It is best to choose them and to form them, if necessary.

7.4.2 REAL ESTATE INVESTMENT

Experience shows that the renting of real estate is one of the surer sources of investment for a circumscription. Among the buildings for renting that we can think of: **houses or flats, offices, small shops, garages, halls for festivities, etc.**

- Purchasing real estate requires a significant investment, but we are creating a source of income for our future and for those who will come after us.
- If we want to invest the money of the circumscription in a property for renting, **it is important to examine closely** the price, the state of conservation, the locality, the proximity of public transport, the security of the neighbourhood, constraints of access (right-of-way, for example), etc. Regarding the state of the building, it is best to ask for an assessment by an expert.
- It is not enough to buy: it is also necessary **to maintain**. And do not forget **to include the maintenance charges in the rent price**.
- **Offices or shops** seem to be the best bet, while houses and flats seem to be less profitable and can create more problems. These

¹² Cf. Annex II: “An ethical charter for our investments”

should, therefore, be avoided, unless economic conditions are very favourable.

- You should **never rent a property without being sure that the tenant will be able to pay** Renting to friends, relatives, etc. may lead to delicate situations and to conflict.

7.4.3 VEHICLES AND MACHINES

A machine or a vehicle can be a form of investment when it is linked to a project.¹³

- Before buying something, you need to **compare the price with the income which you expect to generate from it.**
- It is also necessary to think about the characteristics of the equipment compared to the objective, but also its upkeep and, most of all, the personnel who will make use of it.
- One should ensure that what you purchase will be useful and will last!

7.4.4 FINANCIAL INVESTMENTS - PORTFOLIO

To invest money is the same as engaging money in a project, i.e. renouncing its use for an immediate need and accepting a calculated risk, in order to increase one's income in the future. We are speaking here about investing money in the short to long term.

Some important points to remember:

- Profitability is a decisive criterion for choosing an investment.
- Christian **ethics and Spiritan values** must be safeguarded in this choice.
- The business of investment management is rather complex and needs close attention. **It is preferable to entrust this task to a professional fund manager (a “broker”) or a specialized company.**
- If you have enough money available to start building up a portfolio, **seek advice from the General Bursar.**

¹³ For example, a tractor, a minibus, a mill, etc

8. SPIRITAN SOLIDARITY

8.1 THE PERSONAL CONTRIBUTION FOR THE GENERAL ADMINISTRATION

Solidarity is not one-way. The General Administration also benefits from the solidarity of the Congregation. It is able to live and work largely thanks to the annual contribution from circumscriptions. This contribution is called “personal” because it is based on the number of confreres in the circumscription who have completed initial formation and are under 70 years of age (SRL 232.5). **It is not each confrere who pays for himself, but the circumscription which pays for each one of its members.** This does not prevent the administration of the circumscription from inviting (but not obliging) the confreres to help the circumscription to fulfil this duty of helping the general administration.

The annual contribution to be sent by each circumscription for the General Administration is therefore equivalent **to two weeks average salary in the country concerned for each confrere appointed to the circumscription, who has completed initial formation** and who is under 75 years of age (Bagamoyo 5.5).

8.2 COR UNUM

Distribution takes place each year in May. Its purpose is **Initial Formation** (seminaries: students, building, equipment ...).

A. GENERAL CRITERIA TO RECEIVE FROM THE COR UNUM FUND

Those who may apply to the *Cor Unum* Fund are circumscriptions:

- whose orientations for formation have been approved by the General Council in accordance with SRL 105;
- where the orientations and guidelines of the *Guide for Spiritan Formation* (GSF) are being implemented;

- whose candidates go to recognized centers of studies, such as Spiritan-run institutions, religious consortiums or formation centers approved by the General Council;
- which have submitted annually an updated list of students at each stage in initial formation and who have accounted for how they have used the previous year's allocation from the *Cor Unum* fund.

B. CRITERIA DEFINED BY MAYNOOTH 6.11

- **Ordinary subsidies** (for ordinary formation) 70%
- **Subsidies for building** (formation) 20%
- **Extraordinary subsidies** 10%¹⁴

C. BAGAMOYO (5.6) asked that 5% of *Cor Unum* be dedicated to the **formation of formators**.

D. REDISTRIBUTION OF THE 70% FOR ORDINARY FORMATION BY THE PRESENT GENERAL COUNCIL (2013)

Category 1: Novitiate, 1st and 2nd Cycles 85%

Category 2: Postulancy,¹⁵ Stage 15%

E. NEW DISTRIBUTION FOR 2016

While respecting the spirit of Maynooth and Bagamoyo, the General Council decided to change the distribution according to the following criteria:

1. Ordinary Formation 70%

¹⁴ Throughout the years, the term “extraordinary subsidies” was understood as “for the life of the confreres” according to an interpretation of Maynooth (6.7): “The *Cor Unum fund*...is destined for the needs of formation; exceptionally it can be used for other needs of the internal life of the Congregation”. From now on, the General Council proposes to respond to these requests for the life of the confreres in a circumscription through the *Apostolic Projects Fund*.

¹⁵ Postulancy refers to a period of time of a maximum of one year before official entry into 1st Cycle (Philosophy).

- a) 1st Cycle and 2nd Cycle 75%
- b) Aspirancy and Novitiate 25%

2. Subsidies for Formation Buildings 20%

This portion of the fund is primarily for setting up new formation houses/structures within a circumscription or union which involve considerable financial expenditure. The maintenance of current structures is primarily the responsibility of the local circumscription/union.

Criteria to access this fund:

- Approval by the GC has been given for the construction or purchase of the building (SRL 248.3.6; 248.5.3);
- The property belongs to the Congregation;
- The submission of a detailed project financial-plan, showing other potential donors and sources of income for the construction or purchase of the building;
- An explanation of how the circumscription/union will ensure the future maintenance of the building.

The General Council will consider requests to financially support the ***construction of new buildings*** and may do so by means of phased payments (three maximum).

Exceptionally, the General Council will consider ***financial support for extraordinary maintenance of formation houses***. Local contribution towards maintenance must be shown.

3. Extraordinary Subsidies 10%

- a) The General Council will consider contributing towards the financing of airfares of students who have to travel by air to study outside their country, either in the union formation communities or other Spiritan formation centers.
- b) The General Council will consider contributing towards the financing of airfares and language-courses for students doing PME (*Stage*).

In these cases, circumscription superiors may apply for subsidies to the General Council on submission of receipts showing evidence of payment.

- As distribution takes place in May each year, it is imperative that requests reach the General Administration **before April 15th**. It should include the **exact number of students** in each stage of initial formation. This number should correspond to the list of students that is sent to the correspondent for Formation in Rome.
- **On-going Formation** is not catered for by Cor Unum. As regards “OTP”, it applies only to those who are still in initial formation.
- Circumscriptions which receive funding from Cor Unum must **include this income in the annual presentation of accounts** which they send to the Generalate.

8.3 THE FUND FOR APOSTOLIC PROJECTS

At the Maynooth General Chapter, the General Council was “*asked to supervise, organize and direct the solidarity between all circumscriptions*” and to manage a “*Special Fund for Apostolic Projects*” so as to “*support new projects and undertakings that have no other sources* (6.7).”

To this end, during the celebration of our anniversaries in 2002 and 2003, the General Council created *The Jubilee Fund*, thanks to the generosity of Spiritain circumscriptions, which freely contributed to its creation.

Bagamoyo stated that “*The Apostolic Projects Fund (Jubilee Fund) will be augmented to enable the General Administration provide increased financial support for new projects, primary evangelisation, and fragile missions* (5.8).”

OBJECTIVE OF THE FUND

The aim of the Apostolic Projects Fund is to support confreres in their ministry in new, primary evangelization and fragile missions where there are serious difficulties in receiving local or external financial assistance for the apostolic activities being undertaken by the members of the Congregation. This fund does not support development projects, but is intended for the life of the confreres and their material needs.

CRITERIA TO ACCESS THIS FUND

Applications are made through the General Council correspondent for the circumscription by the 1st of May each year. The following criteria must be adhered to by a circumscription superior or union coordinator, in the case of a union project, in applying for assistance from the Apostolic Projects Fund.

1. When undertaking a new mission/commitment where there is an initial need, for a limited amount of time, for financial assistance to support the life of confreres.

Criteria:

- That the new mission is being undertaken in accordance with SRL 248.3.4 and Bagamoyo 1.20;
- That there is a plan in place to find other sources of funding for self-sufficiency;
- That the requesting circumscription or union show a local contribution;
- That as far as possible efforts have been made to put in place a contract, that includes a financial contribution, with the local Church;
- That annual budget and end of year accounts are provided, showing how the previous year's allocation from the fund was used - if not the first application;
- That a yearly report is provided on how the new project is progressing.

2. To provide support for the life of confreres in primary evangelization ministries and fragile missions that are shown to be financially unsustainable locally, and where the local circumscription or union cannot fully support the Spiritan community.

Criteria:

- Provide a short narrative on the objectives of the work being done and how it fits into the strategic plan of the circumscription;
- Provide an explanation of what efforts are being made to find other sources of funding for self-sufficiency;
- Provide information on any local contributions, e.g., from requesting circumscription or local Church;
- Provide a budget of total funding needed, current sources of income and end of year accounts showing how the previous year's allocation from the fund were used - if it is not the first application;
- Provide a yearly report on how the project is progressing.

8.4 THE EMERGENCY FUND

This fund can be used by the Superior General, with the consent of his Council, in responding to an urgent situation or emergency within a circumscription, where the criteria of the Apostolic Project Fund cannot be met and there is a need to respond immediately.

8.5 THE RETIREMENT FUND

This Fund is the responsibility of the General Administration. It was set up in 1995 with the aim of helping those circumscriptions who don't have a retirement system organised, or in the case that this system is not working in a satisfactory way. All the circumscriptions may join it and they are invited to do so. Even if it is difficult for some of them to find the necessary amount to pay the contributions, they will receive back one day what they have invested.

Each circumscription member of this retirement fund pays an annual contribution for each confrere originating from the circumscription and having finished his initial formation, that is to say, after his mission appointment. Each circumscription of origin then receives an annual pension for each confrere who is 65 years of age or over.

It is not the confreres who pay the contribution or receive the pension but the circumscriptions of origin.

At the moment (2015), the contribution is €75 and the pension given is €1,200 per annum. It represents a proportion of 20 contributors for 1 pensioner.

Each General Chapter and Enlarged General Council will update the contributions and pensions to ensure that the fund continues to grow, thus ensuring future pensions.

8.6 DIRECT AID BETWEEN CIRCUMSCRIPTIONS

DIRECT AID AND COR UNUM

Direct Aid is a tradition in the Congregation. “Partnerships” were even encouraged by Maynooth, but this is not the policy of the present General Administration, because it doesn’t seem to be a good formula for solidarity. For this reason, the General Council emphasises that Cor Unum is the main channel for solidarity in the Congregation (concerning Formation) and that direct aid should be exceptional.

SRL 231.7 requires each circumscription to inform the General Bursar’s Office of all direct aid from one circumscription to another. The Maynooth Chapter (6.8) asks the General Bursar to publish the list of this aid. **Every circumscription is thus asked to send a list of all direct aid to the General Bursar’s Office**, making sure to give the name of the recipient circumscription and the amount involved, as well

as the purpose of each gift: life of the group, administration, formation, equipment, money sent to CESS in Brussels, etc.¹⁶

FORMS OF DIRECT AID

The General Council has defined three types of direct aid:

- **Money sent from one circumscription to another** for the life of the confreres, mission or formation. (Excluded: payments to individual confreres, to dioceses, to other institutes, loans, gifts in kind, and old age pensions)
- **Monies sent to a regional Spiritan organisation** which takes care of the distribution (example: CESS in Brussels).
- **Costs of receiving students belonging to other circumscriptions for initial formation, language courses or specialised studies.** The report to the General Administration should indicate the names of the students involved and the circumscriptions to which they belong.

¹⁶ In this case, without the need to specify the aim of the gift, because it would have appeared in the annual report of CESS

9. PROJECTS

A development project is above all an action designed to help people better their daily lives.

There can also be projects designed to reach self-sufficiency. These are two kinds of contrasting actions, but the methodology for putting them into practice is identical.

9.1 SOME PRINCIPLES

- A project, by definition, is something which is **projected for the future**: it is necessary, therefore, to foresee how things will turn out.
- As for any investment, profitability is an essential criterion: it is necessary to do your calculations before starting a project, i.e., **to foresee and balance off the income and the expenses**. Avoid at all costs, for example, creating projects supposed to be self-financing but which, actually, become **projects of self-debt!**
- There are **projects to be favoured and projects to be avoided**: the **financial aspects must be examined**, but equally the **ethical aspects**.

9.2 WHAT KIND OF PROJECTS?

Projects are nothing new in the history of Spiritan mission. Many missions were economically self-sufficient since their very beginning, thanks to investments in all kinds of projects: agricultural, mechanical, etc., and thanks to the work of many Spiritan **Brothers**.

Here are some examples of feasible projects (which already existed or still exist in some circumscriptions):

- farming
- fruit-tree planting
- animal breeding (aviary, piggery, cows, etc.)
- mechanical workshop, garage

- carpentry (furniture making...)
- grinding mill
- bakery
- oil factory
- butchery
- brick-making
- shop school (primary, secondary, technical), boarding-school
- crèche
- travel agency
- internet centre
- telephone and fax centre
- printing-office (photocopiers, etc.)
- transport vehicle
- hostelry, lodging-house
- spirituality centre (retreats, etc.)
- house-renting (houses, flats, shops, garages...)

9.3 CONCEPTION / DRAFTING OF A PROJECT

A good project, is above all, a project well thought out. **It responds to a number of simple but important questions: What? Who? Where? Why? How? With whom? With what? Etc.**

The presentation of a project, whether for the circumscription or a community council, or for application to a funding agency, should answer these questions:

Funding agencies often have their own forms which have to be filled out. Sometimes it is relatively simple, sometimes a bit more complex. We have to make the effort to complete them correctly. Funding agencies often distribute money which they have received from government departments (or the European Commission in the case of Europe), and that they have to account for it. No matter the source, they have to guarantee to their donors, individuals or governments, **that the funds will be used well.**

WHAT? *Title*

This should be short, and should state the objective precisely.

E.g.: *“Purchase of a 4x4 for St. Peter’s Parish” or “Health program to vaccinate the children of the diocese of Same against smallpox”.*

WHO? *Project holder or entity responsible, project manager (coordinates: address, telephone, e-mail, etc.)*

Include a detailed reference of the project coordinator (usually the person who presents the project), but also the details of the Major Superior (or the Bishop in the case of pastoral projects, or projects belonging to the Diocese).

WHERE? *Location, context*

Where is the project located? Is it a local, regional or national project? Describe the social, political, economic, pastoral context.

WHY? *Problem statement*

This is the most important question. **A project is designed to answer a need.** This must be clearly stated in order to show the need for the project.

The problem can be, for example: a house in bad condition, a school which does not have enough capacity to answer the demands, a parish whose orphans are not assisted, a seminary which cannot offer good conditions for its students, a farm which is not well exploited, etc.

This presentation of the problem can be illustrated with some statistics, or other data that can help to understand what is the true problem and what are its causes. *An example: statistics on the schooling of children or young people can help one understand why the local church or our Congregation decided to invest in projects of formal education such as schools.*

FOR WHAT? *Objectives (short and long term)*

We can divide the objectives into two categories: **i. the general objectives; ii. the specific objectives.**

For example, in the case of orphans:

General objective: *to help the community to take care of its orphans*

Specific objectives: i. to help the community to be aware of the situation of its children; ii. to ensure that all these children can have a normal school education and permanent medical assistance; iii. to help the families, who welcome these orphans, to do their job properly.

FOR WHOM? *Target-group, beneficiaries (direct and indirect)*

Specify who will profit from the project or the program: how many beneficiaries and their characteristics?

For example: one year of a professional training program (10 months) for girls will benefit 30 girls from 15 to 20 years in the community, who have already left school but could not find work for lack of professional skills; these girls will be selected from the poorest families of the parish. They will be able to choose one of the 3 workshops of the program: accountancy or kitchen and pastry-making or sewing. The indirect beneficiaries will be their families, but also, to some extent, the local or regional economy.

HOW? *Strategies to solve the problem, activities foreseen*

Let us take the example of orphans. Formerly, when one spoke about orphans, one thought immediately of an orphanage. But perhaps today that is not the best solution and, in any case, it would be more expensive. Perhaps a better solution for this problem would be to find families who want to adopt these children, or to support those families which have already welcomed them. This being the case, the activities planned to solve the problem can be summarized as follows:

- i. to create a team of two or three people (1 full-time, 2 part-time) who will look after these children;*
- ii. to draw up a list of all the orphans of the parish;*
- iii. to organize a food program for the families who welcome them;*
- iv. to organize a medical program for these children with the local health centre;*

- v. *to create a place to welcome these children for school and other activities.*

WITH WHAT? *Physical resources, tools*

Draw up a list of the resources and the equipment needed to start the project.

In the case of a farm, for example:

- i. *Constructing a warehouse to store the result of the harvest;*
- ii. *Buying a tractor for preparing the land, thus reducing the number of workers required;*
- iii. *Buying equipment for packing-cases;*
- iv. *Buying more productive trees, etc.*

WITH WHOM? *Human resources, staff, teams*

Let us come back to the example of the girls. For this program, which will take place every afternoon from 2 to 4 p.m., we will need 3 teachers: 1 of the teachers will also be the manager of the course.

HOW MUCH? *Project costs, budget – financing plan (local contribution and grants from agencies foreseen)*

The budget must be realistic and as detailed as possible. When it concerns a building, ask for a cost estimate from a company which would carry out the work. When it is about **equipment or machinery** (vehicles, computers, generators, photocopiers, etc.) get pro-forma invoices and add these documents to the presentation of the project.

Present a **financing-plan**. When you want to send an application for financing to an NGO, state the percentage of the overall cost that you are asking for and the percentage provided as a local contribution (*see example below*).

Example of a financing plan for an orphans' program of 3 years:

TOTAL	11.000,00€
<i>Caritas of the Parish (goods: food, etc.)</i>	<i>3.000,00€</i>
<i>Collection among the parishioners (foreseen)</i>	<i>1.000,00€</i>
<i>Requested from Holy Childhood, Germany</i>	<i>7.000,00€</i>

Remark: The sum requested from Holy Childhood is intended to pay the rent of the house where the children will be accommodated during the day, for three years, as well as the purchase of furniture and some necessary equipment (kitchen utensils, etc.).

WHEN? Planning: duration and time-line of the project, phases of implementation, reports

There are projects which are specific, whereas others are programmes which can last a few years. It is necessary to put on paper the dates of completion.

For example: the workshops of vocational training for the girls are envisaged to begin in September, at the same time as the official school; they will take place everyday, including Saturdays, from 2 to 4 p.m. (Saturdays from 9 to 11 a.m.), except during the school holidays. At the end of the first half of the year, an evaluation and a report of follow-up will be sent to the organization which finances the project. A final report will be sent at the end of the year. The participants will receive a diploma of participation in the workshop.

VIABILITY? What are the probabilities of success of the project? How will you measure the success? How will it continue in the future?

When a project is planned, imagine how things will develop. What will be the guarantees of success? Avoid statements of the this kind: "If God wants, all will finish well". It is obvious that we will always need the assistance of God, but we should not put God to the test!

He gave us a head **to make calculations and plans** and it is that which is necessary to put in the application. It is also important to know what will happen after the project or the present phase of the project will be finished.

If it is about a specific project, we must be able to foresee the results expected.

For example: a car for a postulancy will make it possible for the young postulants to attend the classes of an Inter-religious Institute which is 5 km away and to participate in pastoral or social activities in the poorest parishes of the suburbs of the city.

If it concerns a program, we need to explain how we foresee the project in the long term. Do we plan to request more money from the same organization? Do we plan to continue to rent a house or will it be necessary to buy a house for that purpose? We can state, for example, that after the first year we will make an evaluation of the results and then we will be able to foresee the future of the project. We can also imagine that, in the long-term, the parish can decide on the construction of a multi-purpose centre which, amongst other things, could be used to welcome the children for part of the day.

In the case of a self-financing project - The project, to be viable, must not simply produce financial results for the institution, and be capable of self-financing and self-development. We must demonstrate its feasibility through figures and the planning of the project.

9.4 GRANT APPLICATIONS

1. When the budget of a project is so high that the circumscription is not able to finance it by its own means, a request for co-financing by a donor or a funding agency can be made. We will consider **4 different kinds of donors or donations**:
 - Individual gifts (from family, personal friends or friends of the Congregation, benefactors, etc.)

- Public administration or government agencies (for schools, clinics, social works, etc.)
 - National or foreign NGO's and foreign institutions like embassies.
 - The Congregation itself (COR UNUM or Direct Aid from other circumscriptions).
2. For **funding agencies**, it is often difficult to know which is the correct door on which to knock, because there are organizations of many kinds:
- Some of them finance only development or social projects and exclude all those which concern pastoral projects or evangelization;
 - Among these organisations, the majority finance only projects conceived by themselves or that they can control.
 - Some will agree to finance projects presented by lay-people, but not by missionaries.
 - Very few organizations agree to finance pastoral projects and, even fewer, seminaries.

Unless you already know the financing agencies to whom you have sent applications in the past, the best way forward would be always to take advice from the European Spiritan Centre in Brussels (KIBANDA) because this was set-up by European Provinces to coordinate requests for financing with agencies based in Europe.

We can say the same about sending applications to funding agencies in **Canada or the USA**. It is advisable not only to inform the Provinces there but also **to ask them to recommend** your application.

3. When you want to send a grant application to a funding agency or a possible donor, take into account the following principles:
- in general, they do not like to finance **dreams**, but rather realistic and **sustainable projects**;

- they do not like to finance the **daily running** of institutions (except for very vulnerable social institutions, such as orphanages, etc.);
- they do not like either to finance projects which **are already finished or started** (it is presupposed that if you started implementing it, it is because you have the money to continue it...);
- they are very attentive to the place that is given to the **participation of the beneficiaries** themselves;
- they are very attentive also to the **place given to women**, especially when it concerns projects of a social nature;
- respect for the **environment** is also essential. It can serve as a boost to your project;
- they always appreciate a **local contribution** (in general from 10 to 20%) and do not like to finance the whole budget of the project;
- they will want to know if the request was also sent to **other agencies** and how much was asked from each one: therefore, the total of the different applications has to be equal to the total cost of the project;
- in general they accept **local voluntary work or construction material** as a local contribution, to be valued and included in the budget...).

Never forget a final report (if possible, with pictures) and a word of thanks.

It is necessary to add to the dossier an application for co-financing:

- Include a **letter of recommendation from the Bishop** (for diocesan or parish projects) **or the Major Superior** (for Spiritan projects);
- Include a **pro forma invoice** when the project includes vehicles or equipment.
- Include **the plans and a provisional budget** when building construction is involved.

9.5 DIFFICULTIES/OBSTACLES

It is impossible to foresee all the obstacles that could prevent the perfect fulfilment of a project or a program of self-financing. One must envisage the possibility of unforeseen problems, while taking into consideration the past experience and the current situation of each circumscription, each country and each region.

It is important, therefore, to anticipate the risks and to envisage alternative scenarios.

The causes which can hinder success can be of different kinds:

1. **Natural causes:** unfavourable climate, calamities (flood, fire, earthquake...), unfavourable land, diseases (Ebola, bird flu, swine flu, etc), lack of water (drought), etc.
2. **Human / social causes:**
 - theft, robbery, pillage (the high costs of building security walls, wire fences, etc.);
 - the poverty of people, unemployment, poor salaries;
 - the mentality of those being assisted, bad habits of receiving all or asking for all from outside;
 - socio-political crises, wars, inter-ethnic conflicts, coups d'etat, corruption...;
 - lack of public transport, bad roads;
 - badly organized and unreliable markets (fluctuation in prices, etc.), high inflation;
 - lack of qualified personnel, especially in the field of management.
3. **Internal/Spiritane causes:**
 - unrealistic plan or budget;
 - too optimistic;
 - bursar lacking preparation or adequate training;
 - lack of time – bursar too busy with other things;

- too frequent changes of appointment of confreres, or changing; the person in charge of the project at the wrong time;
- confreres feeling not concerned by the question;
- no respect for what is said by the *Rule of Life* or the Chapters.

9.6 STRATEGIES FOR THE SUCCESS OF THE PROJECT

1. Fundamental to the success of a project is its conception: a project should meet a **real need** for the circumscription, the market, etc
2. It demands **good planning**. This requires a feasibility study and an examination of its potential profitability (financial results), market research, anticipation of varying outcomes, etc.
3. The **budget must be realistic**, where all the possible expenses appear (materials, salaries, transport, taxes, etc.) and all possible revenues are considered (in money or in kind), taking into account the fluctuations of the market, inflation, etc.
4. When the completion of a project must be confided to a company, its specifications must be negotiated.
5. Utilization, as much as possible, of the **local materials and products of the country** (sold on the local market) is, very often, not only one good way to reduce the costs, but also a way of participation in the development of the country.
6. **The participation of the beneficiaries**, from the very beginning, i.e., in the conception and the planning of the project, and information on its implementation, is also a strategy of motivation and encouragement, and very useful, if not essential, for the success of the project.
7. **You must be rigorous in the implementation of the project and with respect for its budget**, which requires a follow-up and a permanent control by the person in charge, asking the various par-

ticipants or partners to be responsible (scheduled time, programmed tasks, justification of the expenses, presentation of invoices, etc.)

8. It is important **to find people who are qualified** for the various tasks undertaken, especially those tasks relating to the management, the accounting, the trade of the products, etc. Sometimes, it will be necessary to foresee training courses.
9. Sometimes, it is better **to start with a project on a small scale** and, if it is successful, to increase it gradually by reinvesting a part of the profit.

9.7 HOW TO PLAN A PROJECT IN 12 STEPS

1. To identify the problem;
2. To clarify the objectives and the results expected;
3. To identify the beneficiaries;
4. To define and to plan the activities;
5. To identify the resources needed (finance and equipment);
6. To calculate the cost and the profits;
7. To find the persons best qualified for the job;
8. To state exactly the role and the competence of each person involved;
9. To establish contracts;
10. To obtain the necessary authorizations;
11. To define a program and working hours;
12. To gather together the necessary means and personnel to start.

9.8 MONITORING AND CONTROLLING A PROJECT: 10 GOLDEN RULES

1. To establish a plan of control;
2. To meet regularly with the persons in charge;

3. To guarantee respect for the program and the rules;
4. To check the accounts regularly;
5. To always require invoices;
6. To control the application of the budget;
7. To make a periodic evaluation of the results;
8. To check the effectiveness of the organization and to make the necessary adjustments;
9. To encourage the active engagement of the people involved;
10. To make the final evaluation and the report on the results of the project.

9.9 10 WAYS OF KILLING A PROJECT

1. An incompetent manager;
2. A change of manager during the project (but... to change the manager, if it is necessary, can also be a way of saving the project!...);
3. Absence of a regular follow-up;
4. Employment of incompetent people;
5. Lack of daily and rigorous accounting;
6. Lack of rigour and transparency;
7. No respect for the budget;
8. Favouritism;
9. Lack of vision;
10. Absence of communication and information.

ANNEXES

ANNEXE I

TEXTS: CANON LAW - SPIRITAN RULE OF LIFE - GENERAL CHAPTERS

A. OUR BASIC OPTIONS IN MANAGEMENT: POVERTY, CORRESPONSIBILITY AND SOLIDARITY

SPIRITAN RULE OF LIFE (SRL)

24.1 Our closeness to the poor brings us to hear afresh the gospel that we are preaching. It becomes an unceasing summons to conversion and an invitation to adopt a **simple style of life**.

63. By the vow of poverty, we give ourselves completely to the Father as Christ did, because God has called us and the Holy Spirit has consecrated us to the apostolic life. We freely and publicly take on the obligation of reliance on our superiors in what concerns the use and the disposal of temporal goods.

65. Whatever we receive as a gift or in payment for our work—gifts, salaries, pensions, grants, insurance benefits, mass stipends and every other income we may derive from our work—belongs to the Congregation (Canon 668.3).

69. Each member may have a **certain sum of money for everyday expenses**. He shall give an account of this money to his superior. The amount of this sum is determined in consultation with the community and the superior.

71. Our dwellings, our reception of guests, and our style of living are simple and modest. **This simplicity brings us closer to people who are poor**, home-less or disadvantaged, **and increases our solidarity with them**. It facilitates our working alongside them to improve their circumstances in the world. We work with them too to change unjust social structures which victimise them.

230. The way of living together in community that we practise requires not only the sharing of possessions both within and between circumscriptions but, in addition, **an individual acceptance of shared responsibility** in material and financial affairs.

MAYNOOTH

4. OUR LIVING TOGETHER

Mutual Help and Support

(...) The Chapter felt that there is an unacceptable disparity in the standard of living between various Spiritan groups. Some communities and circumscriptions have more than they need, while **others have only the barest necessities of life. Despite many examples of great generosity and unselfishness, there is still a need for greater sharing and support.**

4.24 The Chapter asks that **we re-examine our current life style in the light of the spirit of poverty and simplicity** envisaged by our Founders. Superiors will insist on **accountability** in matters of finance.

6. FINANCE

Solidarity and Autonomy

(...) On the other hand, our poverty is a form of weakness that we have deliberately chosen. It allows us to abandon ourselves totally to the Father as Christ did (SRL 63). It becomes a sign and a means of **proclaiming the Kingdom** which is at the very centre of our commitment and it moves us to opt for a simple and moderate style of life. This in turn brings us closer to the poor, the disfavoured, the uprooted and gives us greater solidarity with them. Personal and community poverty gives credibility to our proclamation of the Gospel (SRL 70; 71).

The most urgent call that the Capitulants welcome and want to carry away with them is the invitation to a poorer and more moderate life-style in the midst of the poor whom we wish to serve (SRL 71). **And we remember that the primary evidence of a spirit of poverty is the whole-hearted acceptance of the rule of work (SRL 72.1).** Without adopting such a spirit, we will make little progress in the future.

Responsibility and stringency in our practice of poverty

Being true to our missionary message, we opt for a life-style characterised by moderation and evangelical poverty.

6.1 The simplest way of putting the spirit of poverty into practice is **to eliminate bad administration and waste at all levels.**

6.2 The goods that are put at our disposal (vehicles, office materials etc.) are to be considered as **belonging to the community.**

6.17 The Superior of a circumscription has the duty **to encourage confreres to live the life of poverty** to which they have committed themselves and to check on the manner in which this is lived in practice.

TORRE D'AGUILHA

1.1.4 It is the option for the poor that makes us different in a society that excludes large sectors of the population. Des Places' renouncing of the possibilities of a brilliant career and money given by his father and decision to live with the poor seminarians challenges the values of our surrounding consumer society culture. He wanted his work to be God's work. Attention to the poorest and most abandoned is at the heart of the intuition of both Claude Poullart des Places and Francis Libermann. This is an important criterion for our lifestyle and discerning the works we take on.

The option for the poor means allowing these intuitions of the founders to challenge our attitudes, the choices we make and the

work we do, while, at the same time, integrating important insights of modern social sciences with regard to poverty. **We need to distinguish between ‘poverty suffered’ and ‘poverty chosen’.** While ‘poverty suffered’ is a social evil to be overcome, ‘poverty chosen’ is a virtue that involves the choice of a simple lifestyle as a sign of solidarity with the poor in their struggle to transform their situation. The option for the poor involves working for justice and peace and the integrity of creation. To empower poor people **we need to avoid creating situations of paternalism and dependency.** Money from outside can help, but it can also do much harm.

7. FINANCE

Introduction (...) Everything we possess as a Congregation is given to us for the work of mission and we have a duty to use it wisely. Our lifestyle as religious helps us to appreciate all the more the value of all we have.

7.5 A more faithful adherence to the Rule of Life in matters of finance is enjoined upon every one of us, as a witness to a poverty that is lived genuinely and which brings us closer to the people in whose service we are working. **Amongst us there will be openness, honesty and transparency and a real willingness to share in all matters relating to finance (SRL 72).**

BAGAMOYO

5.1 Our approach to finances is based on simplicity of lifestyle, putting in common all that we receive for the service of our apostolic life (SRL 65, 71, 72), and on solidarity between and within circumscriptions (SRL 70.1, 72.4). We reaffirm these principles, particularly that of solidarity, which we wish to strengthen. To accomplish this, a climate of trust is necessary. Such a climate can only be achieved by rigour in our financial management and accountability, and a greater degree of oversight and intervention by the General Council and circumscription councils.

B. SPIRITAN SOLIDARITY

SPIRITAN RULE OF LIFE

70.1 Our poverty and the common life we practise also demand solidarity and sharing with other Spiritan communities and circumscriptions.

72. All that we have and all that we are is at the service of our apostolic life.

72.4 When budgets are being drawn up, at whatever level, account should be taken of the needs that there are beyond the borders of our community or our circumscription or even outside the Congregation. This is a means by which we give proof of our poverty and of our solidarity with those who are in need.

231.7 One circumscription may **in special circumstances** directly help another, **on condition that it inform the General Council.**

232.3 Granted that a capital sum which would suffice to provide interest adequate for all the expenses of the General Administration is beyond our means, what is lacking has to be made up by contributions from the various circumscriptions.

232.4 This contribution is settled by the General Council in agreement with the circumscription.

MAYNOOTH

4. OUR LIVING TOGETHER

Mutual Help and Support

(...) Our help for each other at the level of the whole Congregation must never be seen simply in terms of a North to South aid; help should come from and go to all points of the Spiritan compass. Within regions, circumscriptions can help and encourage each other

in a variety of ways. The ideal can be stated simply and unequivocally: those who have – whether it be personnel, expertise or finance – will share with those who have not.

The Chapter felt that there is an unacceptable disparity in the standard of living between various Spiritan groups. Some communities and circumscriptions have more than they need, while others have only the barest necessities of life. Despite many examples of great generosity and unselfishness, there is still a need for greater sharing and support.

4.25 We will look for ways to increase our solidarity both within and between regions. This sharing in personnel and finance, which is the basic expression of our Spiritan solidarity, comes from our mutual concern and respect for each other as brothers and sisters sharing the one mission.

4.26 Over the next six years, the Chapter would like to see an increased collaboration between the new Provinces and Foundations, as well as between the regions of Latin America and Africa.

6. FINANCE

Solidarity and Autonomy

In recent times, the need to share has taken on different forms as relations between circumscriptions have evolved. The Chapter of 1968-1969 said that “the surplus funds of houses shall be sent to the Provincial or District Bursar, and those of Provinces and Districts to the General Bursar” (no. 317). The Rule of Life of 1987 goes further: “When budgets are being drawn up at whatever level, account should be taken of the needs that exist beyond the confines of our community or our circumscription...” (SRL 72.4). So the Rule asks that we should not just share our “surplus” but also that which we need. We will consider solidarity not just when we have provided for everything else, but while we are actually engaged in drawing up our budget.

Our Rule of Life foresees a considerable autonomy for the different circumscriptions at the same time as a great degree of solidarity between them.

6.6 Our solidarity is neither juridically imposed nor levied as a tax; however, we hope it will be more effective and better organised.

6.7 The General Council is asked to supervise, organise and direct the solidarity between all circumscriptions. To this end, for the good of the whole Congregation, it will manage:

The Cor Unum Fund, which is destined for the needs of formation; exceptionally, it can be used for other needs of the internal life of the Congregation.

The Special Fund for Apostolic Projects. This fund aims to support new projects and undertakings that have no other sources. It will need to be topped up regularly by voluntary contributions and other means. It would be preferable if this fund could eventually become an investment fund.

Each year, when addressing a call for solidarity to all circumscriptions, the General Bursar will give an account of the evolution of these funds.

6.8 When a partnership exists between circumscriptions in the sense envisaged by chapter 2 of “Our Mission” (cf. 2.33; 2.34), the total amount of direct aid given should figure in the annual financial report that each circumscription sends to the Generalate. Each year, at the same time as he publishes contributions to Cor Unum, the General Bursar issues a complete list of direct aid given.

6.9 The financial autonomy of each circumscription is something to be aimed at; it is the responsibility of both the circumscription itself (SRL 232.4) and the whole Congregation.

For Foundations and new Provinces, this objective must be pursued insistently by the General Administration in collaboration with the Superiors of these circumscriptions.

Small Groups should be supported in such a way that they will not be paralysed by financial worries; this help will be organised in conformity with the guidelines laid down in the Directory for Organisation, particularly nos. 36, 63 and 64.

TORRE D'AGUILHA

7.3 In the context of our economically decentralised Congregation, the General Council will invite the circumscriptions to make known their moveable and immovable goods. They will indicate the degree to which their possessions are in proportion to their needs.

If circumscriptions conclude that their possessions exceed their needs, they are invited to place the surplus at the disposal of the General Council.

The General Council will put the funds thus collected at the disposition of circumscriptions which do not have sufficient reserves.

C. THE PERSONAL CONTRIBUTION FOR THE GENERAL ADMINISTRATION

BAGAMOYO

5.5 The contribution for the General Administration is based on the number of confreres in each circumscription under the age of 75, and is the equivalent of two weeks average salary in the country.

D. COR UNUM

MAYNOOTH

Our special means for sharing: The Cor Unum Fund

The Cor Unum Fund is designed to help circumscriptions which lack funds to assure the formation of their students. This is where there is the greatest need of mutual help within our Congregation today. Our future depends upon it.

6.10 The Cor Unum Fund is replenished by the contributions of circumscriptions, who thus enter into solidarity with each other. All circumscriptions will contribute to the fund, even if it is only a symbolic amount in the case of those of modest means. Each year, the General Bursar will publish the results of the fund gathered and distributed, mentioning the type of subsidy given, whether it be for formation, building or extraordinary needs.

6.11 As regards distribution over these three areas, the General Council will share the money available by keeping approximately to the following proportions:

- | | |
|---|-----|
| - ordinary subsidies (for ordinary formation) | 70% |
| - subsidies for building (formation) | 20% |
| - extraordinary subsidies | 10% |

6.12 The General Council will establish a fair and objective system of distribution for formation subsidies. If formation is very expensive in a given area, the situation should be studied and alternatives sought: e.g. collaborate with other centres of formation, a change of location, limit the number of candidates accepted etc.

6.13 Building projects for formation will be managed separately. This will help in proposing the financing of a particular project to a circumscription or a benefactor who may wish to support a concrete scheme. They will receive an account of the use made of the subsidy.

6.14 The contribution from Cor Unum will never cover all formation expenses. circumscriptions must fall back on their own means and look for other sources of finance.

BAGAMOYO

5.6 Cor Unum is the official channel of solidarity in the Congregation. Annually, 5% percent of the Cor Unum fund will be used for the formation of formators.

E. THE FUND FOR APOSTOLIC PROJECTS

BAGAMOYO

5.7 Communities and circumscriptions will include in their annual budgets a sum for solidarity. The funds collected will be used to build up the funds managed by the General Council.

5.8 The Apostolic Projects Fund (Jubilee Fund) will be augmented to enable the General Administration provide increased financial support for new projects, primary evangelisation, and fragile missions.

F. THE EMERGENCY FUND

BAGAMOYO

5.9 An Emergency Fund will be established by inviting all circumscriptions to contribute from their reserve fund. The Emergency Fund will be available to the General Council to help financially needy circumscriptions.

G. THE RETIREMENT FUND

BAGAMOYO

5.11 Pension Fund: This fund was created on an internal basis in the Congregation assuring a pension to all confreres above 65 years in countries which do not have a social security system. In order to ensure the financial equilibrium of this fund, the General Chapter proposes that at all Enlarged General Council meetings, and at all General Chapters, the General Bursar will present an analysis of the financial state of this fund, and that the necessary corrections be made when required. circumscriptions which begin to receive the pension funds of confreres over 65 years are requested to set up a local fund for the financial support of those who are old or ill.

H. JURIDICAL STATUS - ORGANISATION

CANON LAW

Can. 634, § 1. As juridic persons by the law itself, institutes, provinces, and houses are capable of acquiring, possessing, administering, and alienating temporal goods unless this capacity is excluded or restricted in the constitutions.

§2. Nevertheless, they are to avoid any appearance of excess, immoderate wealth, and accumulation of goods.

Can. 635, §1. Since the temporal goods of religious institutes are ecclesiastical, they are governed by the prescripts of Book V, The Temporal Goods of the Church, unless other provision is expressly made.

§2. Nevertheless, each institute is to establish suitable norms concerning the use and administration of goods, by which the poverty proper to it is to be fostered, protected, and expressed.

Can. 638, § 3. For the validity of alienation and of any other affair in which the patrimonial condition of a juridic person can worsen, the written permission of the competent superior with the consent of the council is required.

Can. 668, §1. Before their first profession, members are to cede the administration of their goods to whomsoever they wish and, unless the constitutions provide otherwise, they are freely to make dispositions concerning the use and enjoyment of these goods. At least before perpetual profession, they are to make a will which is valid also in civil law.

§2. To change these dispositions for a just reason, and to take any action concerning temporal goods, there is required the permission of the Superior who is competent in accordance with the institute's own law.

§3. Whatever a religious acquires by personal labour, or on behalf of the institute, belongs to the institute. Whatever comes to a religious in any way through pension, grant or insurance also passes to the institute, unless the institute's own law decrees otherwise.

BOOK V - THE TEMPORAL GOODS OF THE CHURCH

Can. 1254, §1. To pursue its proper purposes, the Catholic Church by innate right is able to acquire, retain, administer, and alienate temporal goods independently from civil power.

§2. The proper purposes are principally: to order divine worship, to care for the decent support of the clergy and other ministers, and to exercise works of the sacred apostolate and of charity, especially toward the needy.

Can. 1255. The universal Church and the Apostolic See, the particular churches, as well as any other juridic person, public or private, are subjects capable of acquiring, retaining, administering, and alienating temporal goods according to the norm of law.

Can. 1256. Under the supreme authority of the Roman Pontiff, ownership of goods belongs to that juridic person which has acquired them legitimately.

Can. 1257, §1. All temporal goods which belong to the universal Church, the Apostolic See, or other public juridic persons in the Church are ecclesiastical goods and are governed by the following canons and their own statutes.

SPIRITAN RULE OF LIFE

65. Whatever we receive as a gift or in payment for our work – gifts, salaries, pensions, grants, insurance benefits, mass stipends and every other income we may derive from our work—belongs to the Congregation (Canon 668.3).

66. Before making profession, each one draws up a will, valid in civil law, by which he disposes of the goods he possesses or

might in the future acquire. This will may be changed only with the authorisation of the superior of the circumscription or, if the case is urgent, of the local superior. Major superiors regularly remind the members of their jurisdiction to check the validity of the will they have made.

67. A member who is perpetually professed may with permission of the Superior General renounce his patrimony, wholly or in part, to the benefit of whomever he may wish.

72. All that we have and all that we are is at the service of our apostolic life.

228. The Congregation and the circumscriptions, but not the houses, are juridical persons, with the power to acquire, possess, administer and dispose of material goods.

229. All the Congregation's goods are put to use to serve its aims. This completely excludes the accumulation of goods for the sole purpose of possession. To prevent abuses, the authorities of the Congregation carefully investigate the use made of possessions and the policy of financial investments.

231.1 Each circumscription, being a moral person, has the right to possess property. The status of a juridical person shall be acquired in the state or states where it is established.

231.2 All the possessions of a circumscription, both moveable and immovable, must be protected by legal title properly registered.

231.3 Possessions are to be insured by policies taken out with well-established companies. These policies shall include civil responsibility arising from ownership, and perhaps also insurance of the personnel in keeping with the law and the customs of the country.

231.4 Each circumscription makes every effort to attain financial independence. For this purpose it may establish a Reserve

Fund with a capital fixed by its council in agreement with the General Council.

231.6 The General Council shall be consulted about important property transactions. It gives its advice in writing. The prescriptions of Canon 638.3 shall also be observed.

234.4 In works or establishments that do not belong to the Congregation but are placed under its care, we always make a clear distinction between what belongs to the Congregation and what belongs to the work or establishment.

246. Certain decisions require according to general law the deliberative vote of the council of the circumscription:

246.22 The sale of moveable or immovable property, within the limitations imposed either by the general law of the Church (Canon 638) or local law or decisions of General Chapters.

MAYNOOTH

6.2 The goods that are put at our disposal (vehicles, office materials etc.) are to be considered as belonging to the community.

6.19 In the dioceses where we are working, we will try:

- To separate clearly the accounts of the works from those of the Congregation (SRL 235.4).
- To draw up a contract which will fix the limits of our responsibilities as well as the responsibilities of the local Church which receives us (SRL 19, 235).

TORRE D'AGUILHA

7. FINANCE

7.9 The General Council will be consulted about important property transactions and will give its advice in writing (SRL 232.6). The General Council will also be consulted regarding the use of the money realised by the sale of such property.

I. ADMINISTRATION OF GOODS

CANON LAW

Can. 537. In each parish there is to be a finance committee to help the parish priest in the administration of the goods of the parish, without prejudice to can. 532. It is ruled by the universal law and by the norms laid down by the diocesan Bishop, and it is comprised of members of the faithful selected according to these norms.

Can. 636, §1. In each institute and likewise in each province which is governed by a major Superior, there is to be a finance officer, distinct from the major Superior and constituted according to the norm of proper law, who is to manage the administration of goods under the direction of the respective superior. Insofar as possible, a **finance officer distinct from the local superior** is to be designated even in local communities.

§2. At the time and in the manner established by proper law, **finance officers and other administrators are to render an account of their administration** to the competent authority.

Can. 638, §1. Within the scope of universal law, **it belongs to proper law to determine acts which exceed the limit and manner of ordinary administration** and to establish what is necessary to place an act of extraordinary administration validly.

§2. In addition to superiors, the officials who are designated for this in proper law also validly incur expenses and perform juridic acts of ordinary administration within the limits of their function.

§3. **For the validity of alienation** and of any other affair in which the patrimonial condition of a juridic person can worsen, the written permission of the competent Superior with the consent of the council is required. Nevertheless, if it concerns an affair which exceeds the amount defined by the Holy See for each region, or things given to the Church by vow, or things precious for artistic or historical reasons, the permission of the Holy See itself is also required.

Can. 678, §3. In directing the apostolic works of religious, diocesan Bishops and religious Superiors must proceed by way of mutual consultation.

Can. 681, §1. Works which the diocesan Bishop entrusts to religious are under the authority and direction of the Bishop, without prejudice to the rights of religious Superiors in accordance with Can. 678 §§2 and 3. §2 In these cases **a written agreement is to be made between the diocesan Bishop and the competent Superior of the institute.** This agreement must expressly and accurately define, among other things, the work to be done, the members to be assigned to it and the financial arrangements.

Can. 1273. By virtue of his primacy of governance, the Roman Pontiff is the supreme administrator and steward of all ecclesiastical goods.

SPIRITAN RULE OF LIFE

171. The bursar manages the material goods of the community. He works, however, under the superior's authority and he shares with the community the responsibility confided to him.

171.1 The bursar, even in a small community, shall not, in so far as is possible, be the superior (Canon 636.1).

172. The bursar of a community is appointed by the major superior of the circumscription with the consent of his council and after a consultation of the community.

173. The bursar is appointed for a period of three years. This period may be renewed.

173.1 The bursar is by right a member of the community council.

173.2 An extraordinary expense, exceeding the limits of the budget for the current year, requires the approval of the major superior with the consent of his council.

173.3 Every year, the bursar shall present to the community and to the major superior a balance sheet and a budget which have already been approved by the superior and the council of the community.

173.4 Every year, the bursar of a circumscription presents to the General Administration a balance sheet and a budget which have already been approved by the superior of the circumscription with the consent of his council.

174. The bursar of a circumscription, on the occasion of the chapter of the circumscription, shall present a detailed financial report.

174.1 Once every year the bursar in a large circumscription shall call a meeting of the local bursars for the purpose of dealing with their management and administration.

174.2 The General Bursar shall provide technical assistance to the bursars of circumscriptions. He regularly audits their accounts and their balance sheets.

174.3 The bursar of a circumscription shall do the same for bursars of communities.

174.4 Bursars shall put away in security, in a special safe or in a bank, the title deeds to properties, transferable securities, insurance policies and other important documents.

174.5 Superiors and bursars shall not make investments in businesses of dubious moral rectitude.

227. The material goods of the Congregation are administered in accordance with Canon and Civil law.

246. Certain decisions require according to general law the deliberative vote of the council of the circumscription:

246.21 approving budgets, balance-sheets and the financial reports of the circumscription;

246.22 the sale of moveable or immovable property, within the limitations imposed either by the general law of the Church (Canon 638) or local law or decisions of General Chapters;

246.23 the authorisation of extraordinary expenses in a community.

248. According to common law, certain decisions demand the deliberative vote of the General Council: 249.3.4 Decisions concerning circumscriptions and houses: (...) authorising a circumscription to undertake additional commitments that necessitate added investment of money and of manpower.

MAYNOOTH

6. FINANCE

4.24 Superiors will insist on accountability in matters of finance.

6.3 As individuals, communities or circumscriptions, we accept the duty of giving a responsible account of the goods and finance that are confided to us.

6.4 For this, we use very ordinary means:

- Keep careful accounts;
- Make budgets with periodic evaluation;
- Involve the whole community in the management of its finances: accounts and budgets will be communicated to the confreres on a regular basis; they will be presented by the bursar and discussed by the community;
- These ordinary means for the practice of poverty in a responsible way have to be learnt during initial formation. Our students will be kept informed of the financial situation of the houses of formation. They will take part, as far as possible, in their management, even in a limited way. They will be taught a simple but rigorous method of accounting. Care will be taken to ensure

that all houses of formation maintain a simple life-style (Guide for Spiritan Formation nos. 28 –32).

6.15 The General Bursar will offer training to all bursars of circumscriptions on a regional level and to all those who hold important managerial positions. We also ask bursars to take advantage of technical training that may be available in their countries. It would be useful to organise a sharing of experiences (successful or otherwise) in matters of autonomy and self-reliance.

6.16 During their visits to different circumscriptions, the General Council will check the state of the account books and enquire into the financial situation of the circumscription visited.

6.17 The Superior of a circumscription has the duty to encourage confreres to live the life of poverty to which they have committed themselves and to check on the manner in which this is lived in practice.

6.18 The bursar of a circumscription will be helped by a group of advisors, including, if possible, non-Spiritans.

6.19 In the dioceses where we are working, we will try:

- to separate clearly the accounts of the works from those of the Congregation (SRL 234.4);
- to draw up a contract which will fix the limits of our responsibilities as well as the responsibilities of the local Church which receives us (SRL 19, 234).

TORRE D'AGUILHA

7.3 In the context of our economically decentralised Congregation, the General Council will invite the circumscriptions to make known their moveable and immovable goods. They will indicate the degree to which their possessions are in proportion to their needs.

7.9 The General Council will be consulted about important property transactions and will give its advice in writing. (SRL 232.6).

The General Council will also be consulted regarding the use of the money realised by the sale of such property.

7.12 New circumscriptions will set up financial advisory committees, composed not only of Spiritans but also of competent and qualified lay people, to advise them on all matters pertaining to finance and investment.

BAGAMOYO

5.4 All circumscriptions, in collaboration with the General Council, will develop a 3-year plan based on an analysis of needs and resources in order to arrive at self-reliance in circumscriptions, and equity in the distribution of resources. The general administration will do likewise. In addition to a monitoring mechanism, the following elements will be taken into account:

5.4.1 The need for each circumscription to keep an up-to-date inventory of its moveable and immovable goods and to send it each year to the general administration;

5.4.2 An emphasis on solidarity, on the invitation to share, based on discernment as to whether resources are proportional to needs, and an evaluation of the use of the circumscription's goods;

5.4.3 Budgeting by the circumscriptions and the general administration, with particular attention to priorities;

5.4.4 An assessment based on local legislation of the risks involved in holding non-Spiritans accounts;

5.4.5 A move to eliminate non-Spiritans accounts in the short term;

5.4.6 A periodic evaluation of our income-generating projects.

J. CONTRACTS BETWEEN THE CONGREGATION AND THE DIOCESES OR OTHER INSTITUTIONS

SPIRITAN RULE OF LIFE

234. Contracts are drawn up to cover every work that is confided to the Congregation and for every job given to a Spiritan, whether by a Church body or any other.

234.1 Contracts shall specify:

- the apostolic responsibilities that are undertaken;
- the duration of the contract;
- conditions for annulment or renewal of the contract;
- the material support of the confreres employed in the work;
- monthly payment to be received;
- travel expenses;
- board and lodging;
- health insurance and pension payments.

234.2 Contracts concerning Spiritans are drawn up by the major superiors. They are signed too by the member whom they concern.

234.3 Contracts that concern a circumscription (as a unity) are entered into by the major superior, with the consent of his council and the agreement of the General Council.

234.4 In works or establishments that do not belong to the Congregation but are placed under its care, **we always make a clear distinction between what belongs to the Congregation and what belongs to the work or establishment.**

K. SELF-SUFFICIENCY - PROJECTS / INVESTMENTS

SPIRITAN RULE OF LIFE

43. Each confrere, according to the gifts he has from the Spirit, has a role to fulfil in his community's organisation, life and mission (cf. I Cor. 12:4-11).

65. Whatever we receive as a gift or in payment for our work – gifts, salaries, pensions, grants, insurance benefits, mass stipends and every other income we may derive from our work—belongs to the Congregation (Canon 668.3).

72.1 We are collectively responsible for our material possessions. Whether paid or not, each one has the obligation to work.

72.2 We should treat what belongs to the community or what we use in our apostolic work with care.

230. The way of living together in community that we practise requires not only the sharing of possessions both within and between circumscriptions but, in addition, an individual acceptance of shared responsibility in material and financial affairs. So these affairs cannot be handed over to the care of “specialists” who are then left to themselves.

231.4 Each circumscription makes every effort to attain financial independence. For this purpose it may establish a Reserve Fund with a capital fixed by its council in agreement with the General Council.

231.5 Circumscriptions take the steps necessary to insure their members against illness and pay into a retirement or pension fund.

231.6 The General Council shall be consulted about important property transactions. It gives its advice in writing. The prescriptions of Canon 638.3 shall also be observed.

MAYNOOTH

6.5 Each circumscription will have a finance council and will choose a bursar with real competence in the area of management. It will look for means of self-reliance and train confreres capable of taking initiatives which can be sources of revenue.

6.20 We would like to see an agreed procedure throughout the Congregation for requesting funds for our works and projects:

- Requests to Provinces or to the General Administration will be presented by the Superior of the circumscription. Requests made to non-Spiritane organisations should be presented by the one in charge of the work and signed by the relevant ecclesiastical authority (usually the local Ordinary).
- Accounts will be given of the use of funds received.
- Funds destined for particular projects must never be placed in private accounts.

6.22 Fund-raising will be encouraged. The General Council is asked to supervise such fund-raising when it concerns the whole Congregation.

BAGAMOYO

5.4 All circumscriptions, in collaboration with the General Council, will develop a 3-year plan based on an analysis of needs and resources in order to arrive at self-reliance in circumscriptions, and equity in the distribution of resources. The general administration will do likewise. In addition to a monitoring mechanism, the following elements will be taken into account:

... We will take in account:

5.4.6 A periodic evaluation of our income-generating projects.

ANNEXE II

AN ETHICAL CHARTER FOR OUR INVESTMENTS

We participate in the globalised world economy through our investments. This has positive aspects, but also negative ones. That's why we need to adopt a strict code of practice, so as to avoid investing in systems which could harm people, populations or the environment. Our practice is inspired by Christian ethics¹⁷ and Socially Responsible Investment (SRI)¹⁸.

CHRISTIAN ETHICS AND OUR INVESTMENTS

The choice of our investments (shares, bonds, structured products, etc.) is subject to a double process of discernment: the exclusion of institutions (companies, countries, financial organisations) which are engaged in activities contrary to Christian ethics; and the promotion of companies concerned for human development and environment. The criteria for exclusion apply to the direct activities of the institutions in question, but at a second level, we also take into account the whole supply and production chain.

CRITERIA FOR EXCLUSION

We do not invest in entities that are active in the following spheres:

- Armaments;
- Adult entertainment (pornography etc.);
- Drug running;
- Abortion, contraception.

¹⁷ The German Church has recently published a comprehensive and well-documented guide: "Ethisch-nachhaltig investieren" (ZdK / Alois Glück)

¹⁸ This practice should not only concern the choice of investments but also the way of investing, that is to say the general investment philosophy. That is why we are developing both aspects in this document.

We also exclude entities authorising or involved in the following practices:

- Research on embryonic stem cells;
- Animal experimentation (if not indispensable);
- Corruption, unfair commercial practices;
- Violation of worker's rights (child-workers, infringements of dignity);
- Violation of human-rights;
- Discrimination;
- Inappropriate environmental behaviour;
- Totalitarian regimes, capital punishment;
- Speculation (food products etc.).

EXCLUSION, WITH SOME MARGIN OF TOLERANCE

The complexity of the globalized economic and financial systems means that it is sometimes difficult to distinguish the real activity of certain entities, especially when it involves big companies with multiple holdings. In this case, we accept a tolerance within the limits commonly accepted by institutions investing with Christian ethical values:

Exclusion when activities contribute more than a certain percentage:

- Part of the turnover linked to the production or the sale of tobacco > 5%
- Gambling, games of chance > 5%
- Military supplies, armaments > 5%
- Light arms > 5%
- Pornography and adult entertainment > 3%

SOCIALLY RESPONSIBLE INVESTMENT (SRI)

We favour companies which concern themselves not only with their shareholders, but also with human development and protection of the environment, according to the ESG approach (Environmental, Social and Governance).

FACTORS TAKEN INTO ACCOUNT IN THE ESG APPROACH

Environment	Social	Governance	
		Companies	Funds
Climate change	Consumers' rights	Structure of the board of directors	Fund governance
Environmental action	Management of the supply chain	Executive remuneration	Powers and composition of the Advisory Committee
Exemplary practices in sustainability	Health, hygiene and safety	Shareholders' rights	Fund valuations
Management of the environment	Product safety	Accounting / Auditing	Fee schedules
Water supply	Social dialogue, including with trade unions	Business ethics	
Sustainable transport	Relationships with the Community	Conflicts of interest	
Waste management	Relationships with involved parties		

We favour institutions which are proactive in these areas.

THE PHILOSOPHY OF INVESTMENT

The two pillars of investment involving Christian ethics: Criteria of exclusion and SRI

The basic balance:

Security – no speculation, only “quality” investments;

Liquidity – a major portion of the investments can be quickly realised, with few collective funds;

Yields – every investment must provide an acceptable yield for a given risk.

Basic options for investment:

- a long-term approach, based on quality investments, chosen to ensure that there is a diversity of portfolios that is geographical as well as sectoral;
- portfolios invested with a relatively defensive bias, with a view to preservation of capital;
- for reasons of risk-management, we tend to prioritise developed markets, as opposed to emerging markets;
- A long-term investment horizon overall, with 3 to 5 years for investments;
- In principle we do not engage in short-term trading, which does not exclude occasionally taking advantage of market opportunities;
- This average length of retention implies a generally weak turnover in portfolios.

At the level of selection of investments

- Concentration on shareholdings in more highly capitalised world quality corporations, that are generally active on all continents and that benefit from the strong growth of emerging markets;
- Preference for companies with strong franchises, with real ability to innovate (investments in R & D etc.) and leaders in their respective domains;
- Selection of companies whose business strategy is clearly defined, directed towards the long-term and which are directed by recognised and stable management-teams;
- Choice of businesses with solid financial structures which have the capacity to generate organised growth and ongoing cash-flow;
- Preferably, investments based on “accepted values”, whilst applying an active management strategy to the portfolio, especially depending on the value of these shares.

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