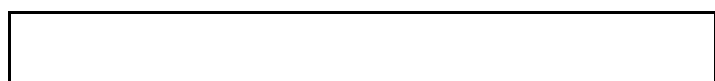


**Directory
for the
Administration of Temporal Goods**

Missionaries of the Company of Mary





Abbreviations used throughout the text:

C	Constitutions, <i>Montfortian Today</i>
CL	<i>Code of Canon Law</i> (1983) (http://www.vatican.va/archive/cdc/index.htm)
CICLSAL	Congregation for Institutes of Consecrated Life and Societies of Apostolic Life
EGC	Extraordinary General Chapter
GHA	General House Account
GSA	General Support Account
IMA	International Montfortian Aid
MGF	Montfort General Fund
RM	Manuscript Rule, found in the <i>Montfortian Today</i>
S	Statutes, <i>Montfortian Today</i>

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Prologue and Reflection

Responsible Stewardship and Administration of Temporal Goods

Saint Louis Marie de Montfort lived an extraordinarily simple and humble life. He was an example of prayer, openness and generosity. He was committed to the life of a totally committed Christian disciple. His choices made him a *saint* for the world to see and follow.

Montfort invited others to follow his example. Many could not. Even his best friend, Jean-Baptiste Blain, tried to convince the Saint that he was too radical and no one could ever choose his way of discipleship. And in his lifetime he saw very few companions or disciples who felt free enough to walk the path he prepared for them.

And yet, in his Wisdom and Grace, the Lord has called men to follow the example of the “poor priest of Montfort.” The Congregation of the Missionaries of the Company of Mary survives today because some have said ‘Yes’ to Montfort’s dream. We have chosen to say ‘Yes.’

To accept Louis Grignion’s challenge to walk in the footsteps of the poor apostles implies that we are men of prayer and that we have a relationship with Jesus: not only from baptism, but from our first religious profession as members of his Company of Mary. Our profession is a public statement in which we tell the world that we will live our baptism as Montfort invites us: totally in the hands of Mary and dependent on Providence. We profess to be different from those around us, *a la Montfort*.

Living in the modern world makes it difficult to live a radical choice of *poverty, chaste love, and obedience*. Yet, the vows that we profess to live daily signify that we are different than others, and that we belong to a community of brothers who follow Christ as his missionaries and preachers of the Good News. If we are to be authentic witnesses to Jesus in the Company of Mary the three evangelical counsels cannot be separated one from the other. They are integrally connected. We live these vows together. We live them in this historical moment and so we must work together for the greatest expression and witness.

Yet, we live them individually. Each of us is a unique disciple of Christ. This individuality was vital to the early Church’s growth and development; the same is true for us as montfortians today. The charism of each montfortian compliments and strengthens that of his confrere, and together we strengthen the community’s mission entrusted to us by the Church.

From the first group of disciples hiding in the Upper Room, some were (and still are) called to serve the group as an administrator and steward. *Stewardship*, simply, is “one who receives God’s gifts gratefully, cherishes and tends them in a responsible and accountable manner, shares them in justice and love with others, and returns them with increase to the Lord.” (USCCB, “Stewardship: A Disciple’s Response.” 1992) Stewardship is a way of life, as Jesus himself invited his followers to do when he taught the parable of the wise virgins and the just manager. In other words, stewardship is about a faithful relationship not only with the Master but also with each other. (Lk 12:42-44; Mt 25: 14-30)

This is a “new” way of approaching our administration of the temporal goods of the Congregation. “New” in that we can no longer simply understand the bursar (general or local) as the one confrere who pays the bills and makes sure we have everything we need. That model, if it was ever effective, is no longer viable in the world in which we live today. The world economy shows us that we need to work together for common solutions to events that impact our life as a community. Today the entities of the Company instantly are connected and aware of the needs of the other entities. We are aware that we need to be responsible for—and toward—each other for the sake of the mission.

Stewardship demands *conversion* at every step and in each moment of our lives, lifelong conversion that will not be complete. Stewardship implies that we are open, or transparent, in our administration. It is an element of the process of conversion within each one of us, and of the conversion of the Company into the missionaries Jesus called us to become. It means that we undertake commitments as one body: a local house; a region of the Congregation; an entity; even the General Administration.

Stewardship means that we are aware of the choices we take and the consequences these choices have on the rest of the community, and that we think beyond the borders of our local entity.

Stewardship means that we can no longer presume that another will take our place or fill our need. The needs of the mission of the Congregation have emerged and evolved into new realities, calling us to look differently at how to meet those needs in a constructive and productive way.

We have freely chosen to be *Missionaries of the Company of Mary*. From our first profession until our last *Fiat* at the moment of death, we belong to one another. These pages are an accumulation of wisdom from different generations of Montfortians who have lived the Saint’s dream of a company of poor apostles and missionaries. Entering into this Manual means that you—We—have the dream to hold all things in common and to walk together on the path of Montfortian Discipleship.

Introduction

Object and Spirit of this Directory

The Constitutions and Statutes of the *Montfortian Today* are quite brief when they deal with the subject of the administration of temporal goods. However, the entirety of that document influences this directory, especially the concerns of our Founder toward evangelical poverty expressed in the Manuscript Rule. This directory serves as a tool to accompany the interpretation and application of the Montfortian Today in the whole Congregation in the modern era.

To complement the core document of our common life, the Directory has as its principle end:

- to clarify responsibility for the administration of temporal goods, in accordance with the charism of the one who inspired the congregation;
- to lay down the role and function of the bursar;
- to show how this role is linked to and how it acts with the various levels of Congregational government.

His Holiness, Pope Francis, has called all religious to remember their initial calling to serve the Church as witnesses to the Risen Christ. The role of religious is in harmony with the efforts of the Church to bring the Good News to all people and places. Montfortian religious have a special place in this that must never be forgotten, to paraphrase the initiative given to us by Saint John Paul II. The charism of our founder has much to teach the world. We must refer to him always and look to his example to help us ‘walk in the footsteps of the poor apostles.

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Part I -- The Administration of Temporal Goods

Introduction

The Congregation of the Missionaries of the Company of Mary is a juridical person within the Catholic Church. As such it has certain rights and obligations granted under Canon Law. These have to be safeguarded and preserved, maintained and adapted from one generation to another, thus ensuring the viability of the Company as it continues its missionary work entrusted by the Church.

The aim of this section is to help us understand the perspective from which flow all our administrative and apostolic endeavours.

Wherever there is a reference to a Province, this will apply also to a Vice-Province, unless otherwise stated.

Generally, the Directory prefers the word, Entity, when referring to a Province, Vice-

Province, General Delegation or other juridical division within the Congregation. Specific, contextual reference to any above-mentioned entities will be mentioned (Province, Vice-Province, etc.).

➤ Montfortian Today:

244. The personal and collective witness to (freely professed) poverty, as the complete dependence on Providence which Montfort asks of all his missionaries, requires a very characteristic life-style in the evangelical use of goods.

254. Our existence in society, the supply of the goods we have (work, gifts, etc.), the primary missionary aim of our Company (care of the missionaries, works, expansion, service in the Church) call for the coresponsibility of all in the administration of what we possess.

This coresponsibility requires:

- the collaboration of everyone in the acquisition of these goods;
- a deep spirit of poverty in their use;
- an administration exercised with faithfulness and competence, both from the strictly financial point of view and with respect to justice and charity.

Right of Property

[1] The Church recognises the congregation and its separate entities as juridical persons with the right to possess and acquire, administer and alienate temporal goods (CL 634 §1, 1254; C 246), and to set rules for the use and administration of these goods according to the vow of evangelical poverty proper to the institute. (CL 635, §2)

[2] The *goods of the congregation* are made up of all that has been acquired or received by it. *Goods of patrimony* are excluded from what it has in common; those with title retain their "radical domain." (C 88)

[3] The goods of the congregation are divided into: fixed and movable.

- Fixed Goods: fixed assets of all sorts (houses, land, etc.) whatever their importance, however they were acquired or where they are.

- Movable goods: which are divided into:

- furniture and other things that are at the disposition of confreres for their community life and apostolic work;
- the common purse (i.e., cashbox and bank deposits);
- the portfolio (investments, accounts, etc.);
- ordinary and extraordinary revenues, such as salaries, gifts and legacies, stipends;
- rights acquired by members such as pensions, allowances for particular needs (sickness, old age), insurances (C 91);
- Precious objects which have a special value for historic or artistic reasons or because they are consecrated (relics, libraries and works of art, etc.).

[4] The constitutions and statutes of the Company recognise the right of ownership and make provision for its application according to different administrative levels. (C 246, 255) The ordinary capacity of administration of a local community is limited to current affairs and to the use, fruits and upkeep of fixed and movable assets. (Cc 254-255)

Only the Superior General and an entity's major superior have the ordinary right to proprietary acts, such as the construction or reconstruction of fixed assets, acquiring, disposing, alienating or carrying out financial transactions (loans, borrowing, investments). (C 247)

Note: even if in civil law the congregation were not recognised as having the right to own and administer, its temporal goods are ecclesiastical and governed by the rules of Canon Law. (CL 634-640, esp. cc 635 §1, and 1257) This is especially critical when we consider the acquiring or alienation of property.

Administrative Authority

- [5] With due regard to the primacy of the Sovereign Pontiff (CL 1273):
- For the whole congregation, the direction and responsibility for the administration of temporal goods belongs to the Superior General with his Council (C 230 to C 264), safeguarding the role of the General Chapter (C 236 ff.) and the EGC (C 233 ff.);
 - For a province, the direction and responsibility for the administration of temporal goods belongs to the Provincial Superior with his council (C 195, C 206; C 264), safeguarding the roles of the Provincial Chapter or assembly (C 214) and the orientations given by the General Chapter (C 246);
 - A local superior (C 188 ff.) has the direction and responsibility for the administration of temporal goods for his local community and for the application of an entity's decisions (C 192, C 264), communicating this with the entity's superior or his delegate;
 - At each level of authority, and following the method foreseen (C 205, C209, C 226b, C232), the one responsible will designate the bursar to be in charge of the administration of temporal goods. (CL 636 §1)
- [6] Following the usual practice of the church concerning the administration of temporal goods (CL 638 §2, 1291, 1292, 1297), and in conformity with the norms of our constitutions and statutes, the general chapter and provincial chapters have the right and power to intervene in order to:
- make more precise, at the level in question, the direction and general rules of financial management, with a view to achieving the congregation's ends;
 - to leave to 'ordinary' executives whatever decisions are needed to apply these.
- [7] Making clear our choice to live evangelical poverty (C 82-91, S 19-28) is always the goal of how we use the goods of the Congregation in the mission. This is true for all levels of authority (CL 635 §2):
- to make visible the "moderation becoming to those who are voluntarily poor" impose on themselves; (S 19, S 25)
 - to make us more available by our having things in common and by our "spirit of mutual aid;" (S 26)
 - to witness to the fact that it is "the Lord who is the source of all good and it is he who gives ultimate meaning to our lives." (C 85)

Statements about the Role of the Bursar:

- [8] *The bursar is a means of renewal.* By function the bursar is in daily contact with the way in which religious poverty is lived and how this poverty is expressed. His influence is important and could even be crucial in the updating of religious poverty according to present reality, more significantly, by means of open and honest dialogue.
- The bursar's role is a specialised service.* Administering temporal goods in a religious context is not (in the strict sense) really a missionary activity. However, "one must know how to value it positively." (S 6) The bursar is at the core of the entity's missionary effort. His apostolic activity has its value in the missionary and apostolic spirit that must inform all of the tasks of the bursar, rather than in the role itself. (C 62) In other words, his service is to help facilitate the missionary activity of the Congregation at all levels.

A number of quotations from our Constitutions express the spiritual reasons for valuing in a positive way the activities and responsibilities entailed:

- C 7: structures, customs and staff organisation are to be at the service of the mission;
 - C 33: even within the diversity of their tasks, all the members of the Company are united in a single spirit, drawing life from the same spirit and charism;
 - C 65: there is one apostolic community and one common aim;
 - S 58: Good administration takes into account the principles of subsidiarity and coresponsibility (S 54, S 55);
- Collective witness to poverty (C 254) an administration exercise with competence (C 255).

Functional Authority of the bursar

- [9] The bursar acts with a mandate at the level of the structure of the entity to which he belongs, because of his specific service in the congregation.

For this reason:

- the content of the role needs to be clearly identified and explained;
- he needs to know precisely what is expected of him;
- direct links, and ease of communication with authority safeguards the unity of direction and decision making within the entity;
- it must be clear with whom final responsibility for decisions and actions belongs;
- the length of his mandate must be specified; this can be lengthened or shortened by the competent authority with consultation of his Council and agreement of the bursar;
- he must be afforded opportunity(ies) for professional preparation and training;
- he is encouraged to collaborate with competent lay persons who can assist him in his service as bursar.

Our constitutions exclude any ordinary power for the bursar (this is reserved to entity superiors viz. C 195-196, C 232) and underline that the superior has the **final** responsibility in the administration of temporal goods which **final** responsibility cannot be delegated. The bursar must account to him at all times. (C 262-263)

- [10] As one who has a role in financial affairs through **delegation** the bursar can make the decisions that concern the fulfilling of his duties on behalf of the entity. He is encouraged to inform the entity superior of all his actions, if possible before these actions are undertaken.

- [11] The bursar's authority is **subsidiary**. The coordinating of the accounting with the final responsibility of the superior demands a method of clear and respectful communication. It is thus important to specify precisely the chain of command
- a) which distinguishes the special nature of the work of the bursar in relation to other tasks of administration;
 - b) which allows criteria for the evaluation of what he does;
 - c) which gives value to his office.

- [12] The mandate given to the bursar must clearly state the way in which his delegated authority works. So that his involvement may be more effective, he should
- be informed,
 - be consulted,
 - be able to suggest or propose,
 - be able to approve or give directions within his delegated authority

Management of Goods

- [13] According to Canon Law (638 §1), administration of temporal goods of the congregation should take into account the crucial distinction between 'ordinary' and 'extraordinary' administration.
- [14] Acts of current administration are left to the bursar acting within his mandate.
- a) **ORDINARY ACTS** are those regular, non-special, administrative acts that are needed for the regular upkeep of persons and goods. These acts constitute a normal and stable order of economic activities duly approved even implicitly by competent authority (e.g. food, heating, painting, medicines, insurances, etc.). In particular these include all regular payments and receipts.
 - b) **EXTRAORDINARY ACTS** are not part of ordinary functioning, and which need authorisation from the competent authority:
 - * because of the 'type',
 - * because of their 'importance'.
 Such authorisation should never be presumed. In particular:
 - acquisition of immovable goods;
 - definitive or temporary alienation;
 - loans which go beyond financial competence;
 - important repairs or changes of structures;
 - items which the competent authority considers extraordinary;
 - the tying up of fixed assets;
 - extraordinary acquisitions: legacies with conditions, foundations and gifts with conditions;
 - the conditions attached to loans and investments;
 - modification of the 'per capita.'
- [15] Once the budget has been established it must be adhered to. Monthly and quarterly monitoring of the budget's income and expenses helps with the effectiveness of the budget as a tool to greater stewardship and administrative co-responsibility in the entity. This is very easily done if the bookkeeping is done on a computerised financial software package.

Financial Capacity

- [16] Financial capacity (C 258-262) is the ability to carry out acts of financial administration that go beyond the budget without needing to have recourse to higher authority. It does not include the making of loans. (CL 638 §3, Cc 251, 252, 262)

Canon Law (c. 638 §1) recognises the right of each administrative level to determine its financial capacity (C 260). As a norm of general practice the Company follows the guidelines stipulated by local episcopal conferences for the financial capacity and spending limits of dioceses and parishes.

Two types of recourse are possible in order to validate an extraordinary act: recourse to the next higher level of authority, and recourse to the Holy See.

- [17] Recourse to a higher level of authority:
- the capacity of Local Superiors, or Local Superiors with their councils is determined by the major superior, with the deliberative vote of his council, after consultation with the parties concerned;
 - the capacity of the entity superior acting alone or with his council is determined by the Superior General with the deliberative vote of his council after consultation with the parties concerned;
 - the capacity of the Superior General acting alone or with his council is established according to common rules and the orientations of the general chapter in conformity with the rules of canon law (Cc 1273 - 1285)

Rules to be followed when determining financial capacity:

- a) in making such recourse to a higher authority the financial situation and the level of authority need to be clearly defined.
- b) in the matter of Loans and Alienations:
 - a. the capacity of a province to contract a loan or make an alienation must not exceed half of the financial capacity which the Holy See fixes for the Episcopal Conference of the country concerned;
 - b. Above this sum (of half) of the total sum authorised for the Episcopal Conference, recourse to the superior general and the consent of his council are required and necessary;
- c) Despite the amount listed in the chart provided by Vatican sources, the capacity to borrow and make alienations by a province can never be greater than the half of the entity's net worth.

Chart of Episcopal Conference Financial Capacity (by country):

Argentina	\$ 300,000
Australia	AU\$ 5,000,000
Austria	€ 1,500,000
Belgium	€2,000,000
Brazil	Rs 600,000
Canada	CAS \$ 3,500,000
Colombia	\$ 300,000
Croatia	€1,000,000
Ecuador	1000 x sal. min.
France	€ 2,500,000
Great Britain	£ 6,500,000
Germany	€ 5,000,000
Haiti	\$ 300,000
India	₹ 10,000,000
Indonesia	\$ 500,000
Ireland	Ir£ 3,000,000
Italy	€ 1,000,000
Kenya	\$ 400,000
Madagascar	\$ 200,000
Malawi	\$ 400,000
Netherlands	€2,500,000
Nicaragua	\$ 50,000
Papua New Guinea	\$55,000
Peru	\$ 300,000
Philippines	\$ 100,000
Portugal	€ 1,500,000
Spain	€ 1,500,000
Uganda	\$ 400,000
United States (diocese with less than 500,000 people)	\$ 5,705,000
United States (diocese with more than 500,000 people)	\$ 11,408,000
RD Congo	\$ 200,000

[18] Recourse to the Holy See on questions of Financial Capacity

The alienation of property, or the permission to contract loans above the figure determined by the Holy See and the local Episcopal Conference, needs the authorisation of the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life (hereafter, CICLSAL). As we consider property to sell or loans to assume the guiding principal has to be the overall benefit to the mission of the

Company and the norms set forth in our Constitutions and the Common Law. Alienation of property for the sole reason of acquiring financial assets is to be avoided at all costs (cc 1294, 1295).

In countries where the national Episcopal Conference does not determine the amount, the capacity to borrow and alienate is fixed at \$500,000 US. Consultation must include the General Administration when there are no national norms for alienation of property and goods belonging to the congregation.

For all borrowing and alienation between entities of the congregation, no recourse to the Holy See is required. Recourse, however, is necessary if it is a question of borrowing or alienating or of a gift above the fixed amount with a diocese or another Congregation. In such cases, however, the Superior General should be informed.

If the congregation or a province disposes of liquid assets in order to be able to cover extraordinary expenses, no recourse to the Holy See is required, as long as the regular norms of financial capacity are safeguarded.

Alienation of property: It is up to the General Administration to assist with the necessary steps when recourse to the Holy See is needed.

Confer Canons 1291 and 1292, also 638 §3 and 639.

Revenue (Income)

- [19] According to current practice, and unless there are special circumstances, all revenue that enters the economy of the entity is considered ORDINARY. This income enters into the regular and daily running of the current administration. Some examples of ordinary incomes are: income (from work/ministry/apostolic commitments); social security and/or pensions; interest earned from savings and investments; mass stipends and honoraria; rent; mission collections: etc.

EXTRAORDINARY INCOME is any revenue or bookkeeping entry that is not tied to regular activities. A few examples of extraordinary income are: large donations or gifts, legacies, grants from foundations, sales, inheritances, etc.

NB: Extraordinary revenues are accounted for in the current balance sheet of the recipient (Local, Provincial, or General). These are reported on the annual budget report as extraordinary receipts and/or expenditures, depending on the case, with appropriate notes to explain how these funds are accounted. It is for each entity to establish the limit to how much extraordinary income a given local community is permitted to keep without passing it to the entity superior's office. The entity bursar has the obligation to remind all local communities of this common agreement.

- [20] At the level of the General Administration, the following are considered to be ordinary income:
- a) the "per capita": this amount is determined by the General Chapter; (the 2011 General Chapter decided that this is €50 per religious in final vows at 31 December each year);
 - b) statutory contributions assessed to entities as Solidarity;
 - c) current interest on accounts and funds invested by the Administration in the Montfort General Fund;
 - d) pensions, salaries, insurance refunds, stipends of the personnel living at the General House;
 - e) deficit payments allocated to each province to help cover the difference between what ordinary income generates and the expected outflows of the General Administration; this is variable, depending on the budget demands of the Administration.

The following are considered to be extraordinary revenues for the General Administration:

- a) large donations (from individuals or other entities of the Congregation);
- b) legacies and inheritances;
- c) voluntary contributions from religious of the congregation or an entity
- d) sale of real estate belonging to the General Curia

For a Province or other juridical entity of the Company the following are considered to be ordinary income:

- a) 3/4 of the net income of the local communities (or any other formula fixed by the Provincial [entity] Chapter);
- b) current interest on bank accounts and investments;
- c) salaries and stipends or other income of the personnel;
- d) ordinary subsidies to assist in the expense of Provincial Administration.

For a Province extraordinary income includes:

- a) large donations, legacies, inheritances;
- b) extraordinary subsidies;
- c) sale of property.

All ordinary and extraordinary income must be reported on the province's annual budget report and financial statement to the Congregation.

For the local administration of a community the following are to be considered to be ordinary income:

- a) salaries from the work of the members, stipends received for liturgies, conferences and any other apostolic activity;
- b) gifts received;
- c) social security and pensions;
- d) income from the activities of the house;
- e) interest from bank accounts of the local community;
- f) ordinary subsidies received for the functioning of the community.

The following are considered to be extraordinary income

- a) extraordinary subsidies;
- b) large donations, legacies, inheritances.

Extraordinary gifts must be placed as the disposal of the entity and be reported on the income and expense report of the entity with the appropriate notes mentioning how these funds were designated and disposed. Norms and limits on the disposition of extraordinary gifts must be determined and clearly communicated to the confreres of the entity.

At all times the intention of the donor must be respected, or the gift must be returned. (CL 1284, §2,3° et CL 1302, §1)

Due diligence is to be followed in the reporting and ordinary and extraordinary income at all levels of the Congregation. (CL 1284, §3)

Part II -- Role and Job Description of the Bursar

Introduction

...those charged with certain tasks less directly apostolic, which prove to be necessary for the life of the Company, make

a genuine contribution to the evangelizing mission of the community... (Montfortian Today, C 63)

In order to bring out the value of the office of the bursar, this text has to be more than a pious saying. The day-to-day interaction and service of the bursar must correspond to what is expressed in this principle of our way of life. What follows is a description of responsibilities entrusted to the bursar at all levels of the Congregation.

General Bursar

[21] Appointment and Mandate

It is the Superior General, with the consent of his Council, who appoints the General Bursar. (C 232) His mandate usually coincides with the mandate of the Superior General. His term of office is renewable, because of the training and experience he has that is pertinent to the well functioning of his service.

Careful consideration and preparation has to be given for the one who will replace the current General Bursar so he has adequate time for professional training and education.

[22] Role

- i. His is a service to the congregation, as part of the General Administration, to administer the material goods of the Congregation subject to the direction and responsibility of the Superior General and his Council (C 254)
- ii. He is a resource person (expert) for the Congregation and the entities in the field of temporal goods.
- iii. He guarantees the conformity and validity of the general financial administration with respect to the Constitutions, Canon Law, and the civil law of the country where these acts take place.
- iiii. He helps the Superior General make the Congregation sensitive to the financial implications of our religious poverty and our Montfortian mission concerning the administration of temporal goods. On its level, the administration must "incite renewal in the Church and the world." The goods of the Congregation are, at all times, at the service of the mission. (C 7)

[23] Job Description of the General Bursar

On the Congregational level to:

1. Prepare, each year, the financial position of the Congregation from the reports furnished by the entities and the General Curia.
2. Give an account of the financial situation of the Congregation to the General Chapter and the EGC.
3. Inform the General Council about the evolution of the financial situation of the provinces and other entities.
4. Study and present for approval by the Superior General and his Council the annual budgets of the Provinces, Vice Provinces, entities depending on the General Administration, and the General Administration itself.
5. Give his advice on financial questions treated by the General Administration.
6. Calculate the amount to be received from the Provinces to cover the deficit in the budget.
7. Directly oversee the management of the Montfort General Fund, the General Support Account (permanent and professional formation) and the International Montfortian Aid (initial formation) funds. This is reported regularly to the Superior General and also at the Finance Committee meetings.

On the Province level to:

8. Prepare the replies on financial matters to be given to the authorities concerned, according to the decisions taken by the Superior General with the consent of his Council.
9. Inform, every year, the authorities concerned of the amount of contributions due to the General Administration, whether these be the per capita, solidarity or other gifts to help cover the deficit and operating expenses

of the Curia.

10. Offer help to the bursars of the entities and to collaborate with them in a spirit of sharing, openness, transparency and confidence towards a greater stewardship of the resources of the Congregation.

11. Communicate regularly with the entities and assure them of availability to help and assist.

In the management of temporal goods to:

12. Examine loans and borrowing of money of, or by, the provinces.

13. In collaboration with the Superior General and his Council, to ensure that the investments (securities), and the buying and alienation of real estate are carried out according to justice and Catholic Social Teaching, evangelical poverty and in line with the Montfortian Apostolic mission. (C 71, C 83)

14. See to it that all property deeds of the General Curia are safely looked after, and also that the necessary documents for the General Administration are properly organised and available.

15. Encourage the entities to have proper and legal documentation for all property that is owned, purchased or sold. These documents are to be safeguarded and preserved in the entity secretariat or archives.

16. Assist the developing entities to have legal identity in their host country.

In general to:

17. Visit the Provinces and General Delegations, and especially those entities directly attached to the General Administration, under the express order of the Superior General, or when requested to do so by the Superior of the authority concerned e.g. on the occasion of a change of bursar.

18. In the name of the Superior General and his Council, convoke and organise work meetings of bursars, in plenary or separate sessions.

19. Look into new, best practices in the field of the administration of temporal goods.

N.B. All of the items in the job description of the General Bursar apply, *mutatis mutandis*, to those entities that are dependent on the Generalate.

Provincial Bursar

(also for the bursar of Vice Provinces and General Delegations)

[24] Appointment and Mandate

“The Provincial Bursar, who should be distinct from the major superior, is appointed by the Provincial Superior after consultation with his Council, for the administration of the material goods.” (C 209)

The length of his mandate is specified in the entity statutes.

[25] Role

1. To administer the goods of the entity under the direction and responsibility of the Superior with the approval of his council. (C 209)

2. He is the resource person in the Province for the management of temporal goods.

3. To guarantee the conformity and the validity of the acts of the Provincial financial administration, according to the Constitutions & Statutes, Canon Law and the civil law of the country.

4. To help the Provincial make the Province sensitive to the financial implications of religious poverty and our Montfortian mission in the administration of temporal goods. On this level, Provincial financial administration must also "foster renewal in the Church and in the world." (C 7)

[26] Job Description

In collaboration with the General Administration to:

1. Apply the decisions made by the General Chapter relative to the management of temporal goods, the annual contributions of the Province to the General Administration, and to participate in the mutual aid of the Congregation.

2. Execute, in concert with the Provincial Superior, decisions which are taken

by the General Council concerning the management of temporal goods:

- construction, renovation, evaluation, acquisition and alienation of real estate.
- the borrowings and loans of the Province,
- gifts and legacies.
- the total amount of ordinary and extraordinary budgets of receipts and payments of provincial administration
- administration and renouncing of a patrimony, with due observance of the norms (C 88, S 21)

3. Forward the annual report of the financial management of the Province to the general bursar. This includes the annual budget report for the past year and also a planned budget for the new year; accounts and balance sheet; and a summary report on budgets and accounts of special undertakings, if need be.

4. When dealing with relations between the General and Provincial levels he must act according to the directives of the General Bursar in:

- making necessary transactions (deposits, transfers, withdrawals)
- giving a report of these transactions and of the current situation.

At the level of the Province:

5. Prepare the report of the financial situation of the province for the Provincial Chapter. This is especially true when a new Provincial and Provincial Council is to be elected.

6. See to it that the priorities established by the Provincial Chapter concerning the management of temporal goods are adhered to.

7. Execute the decisions of the Provincial Superior and his council concerning the financial policy of the province in:

- investing capital,
- loans and repayment of loans,
- gifts and legacies,
- purchase and sale of property and furnishings.

8. In collaboration with the Provincial Superior and his Council:

- receive, review and present the budgets and annual accounts of the local communities and autonomous entities in the province;
- prepare, draw up and present the accounts and annual balance sheet of the Provincial Administration;
- provide explanations about the budgets and the accounts, and all pertinent information about the evolution of the financial situation of the Province;
- take part in the discussions of the Provincial Council dealing with financial questions;
- participate in the study of "administrative policies" which have or which could have financial repercussions;
- participate in the planning and execution of projects which significantly affect the finances of the Province.

9. Prepare the work of the Finance Committee and manage their meetings.

10. Collaborate with different work groups in the Province when it is a question of dealing with financial affairs.

In the Local Communities

11. Help develop a clear chart of accounts for use in each local community and the provincial administration. This helps when giving directives and explanations for preparing local budgets.

12. Help the Provincial and his council to explain to the members of the Province the financial aspects of the Provincial policy.

13. Verify the accounts and local budgets.

14. Relating to the training of local bursars:

- communicate the information they need for their job;
- give the necessary information about the civil law, especially with reference to employee(s);

- convoke, and meet them, in concert with the Provincial Administration when the situation calls for it;
 - be available to help a local bursar when needed;
15. See that the policy relating to salaries is applied according to justice and social equity and in conformity with civil law. The same ethic applies to the development and implementation of policies for the retirement and health insurance of our lay collaborators or employees.
16. Concerning the submitting of accounts:
- give the directives and state the times when they should be completed
 - analyse and comment on the Community accounts
 - verify the annual balance sheet and take note of the amounts sent to the Provincial purse.
 - make sure that property values and the inventory of furnishings are kept up to date.
17. Provide for the maintenance of the property that depends on the Provincial Administration
18. Verify that all property titles and insurance policies are up-to-date and legally held in the name of the Province, unless there is just reason for this to be different (which must be noted in the archives of the Provincial Administration).

In General

19. Other functions connected with the management of the temporal goods of the Province:
- maintaining updates on all the account, bookkeeping and financial software used in the management of the entity,
 - safekeeping of the necessary papers, documents and property deeds, according to the directives of the Congregation and requirements of Civil Law,
 - adequate protection and insurance for the religious personnel, employees and their goods and properties.
 - preparation and/or verification of tax forms and the amounts due to the different government offices from the religious
 - obtaining, in right and correct form, documents dealing with the management of temporal goods (sales, purchases, patrimony)
 - management of material services which depend on the Provincial Bursar
 - inventory of the furniture and material goods on the occasion of the closing of a house.
 - on-going formation and dispensing of information on new developments in the field of the administration of goods.
 - keeping up to date the inventory of the goods of the Province.
 - Work with competent laypersons, as the need arises, to accomplish the daily tasks of this office.
20. All of the job description of the Provincial Bursar applies, "mutatis mutandis", to the bursar of a Vice Province and General Delegation, and to the bursar of an entity depending directly on a Province.

Local Bursar

[27] Appointment and Mandate

The appointment of the local bursar is according to the norms of the Provincial chapter. (C 205) The mandate of the local bursar can be renewed, especially in light of his training and experience.

[28] Role

- 1 Administer the material goods of the Community under the responsibility of the Local Superior (with his Council, if there is one)

- 2 He is an expert for the Community in the management of temporal goods.
- 3 Make sure that his administrative acts are in agreement with and legally conform to the Constitutions & Statutes, Canon Law, the norms of the national episcopal conference and/or the local diocese, and civil law of the country.
- 4 Help the superior to make the community aware of the financial implications of religious poverty and of our Montfortian mission in the local administration of temporal goods. The local administration, too, at its own level, must " incite renewal in the Church." (C 7)

[29] Job Description

1. To prepare the community budget:
 - under the guidance of the local superior and taking into account the directives of the provincial council and according to the members' reasonable wishes and needs
 - Keep the accounts up to date
 - Verify and reconcile the bank balances with his own chart of accounts
2. Together with the superior, to present explain and openly discuss the budget with the community, taking any necessary steps and making the required dispositions in good time.
3. Keep all bookkeeping up to date.
4. Reconcile the bank statements each month.
5. Send projected budgets and statements at fixed intervals.
6. Send the provincial bursar money that is surplus to day-to-day requirements, according to the decision and directives of the provincial chapter or entity assembly.
7. Comply with civil and social laws regarding salaries of personnel and payment of applicable taxes and benefits. The same care and attention applies when handling the termination of a lay employee.
8. Keep all documents, insurance policies and copies of contracts concerning local property (house, vehicle, health and safety policies, etc.).
9. See to the upkeep of property and furniture and keep inventories up to date.
10. Where possible to have surveys and assessments of any property that is owned by the Company, especially as it effects taxation laws and the possible resale of the land.
11. See to his own personal formation in order to become more competent as a bursar. This includes periodic seminars, professional courses and memberships in associations of other religious and diocesan treasurers.

Keeping of Documents

[30] General Principle

At each and every level of government, the bursar is responsible for the care, the keeping and the classifying of documents relating to the administration of temporal goods.

[31] With reference to the congregation:

- a) real estate documents must be kept indefinitely, taking into account the civil legislation of each country.
- b) contracts of purchase, sale, the renting or cession (transfer) of property.
- c) plans and estimates of all major constructions, modifications or renovations, together with the contracts and documents of the contractors.
- d) valuations
- e) bills of fixtures, taxes, real estate.
- f) mortgage receipts.
- g) documents dealing with the congregation's links with associations, societies, and public bodies.
- h) account books
- i) minutes and financial reports

- [32] According to the civil laws of the country and region within a country the following documents are to be retained:
- a) individual files of members which refer to financial questions,
 - b) files concerning lay personnel employed and their work, social security, salaries, and taxes
 - c) bank statements, investment certificates, guarantees, insurance policies
- [33] Whenever possible it is strongly urged to send to the General Bursar's office a copy of the central documents for the entity. This is especially true for those entities that are dependent upon the General Administration. This includes:
- a) articles of incorporation
 - b) copies of land title for all property held in the name of the Company
 - c) appraisal of the value of this property (listing the original purchase price and the present fair market value)
 - d) a regularly updated list of all investments held in the name of the Company (financial, real estate, etc.). This updated list can be submitted yearly with the annual financial reports.

Formation of Bursars

- [34] The office of bursar demands an appropriate formation if it has to have any real value in the administration of the mission. When carrying out their work, bursars are confronted by many stipulations coming either from civil laws, or from state regulations, binding on employers, or from laws regulating financial transactions, etc. Hence, the bursar (at all levels of Congregational administration) must be given adequate training and preparation for his work. This preparation includes solid academic and professional coursework to help him understand the importance of the role he has on behalf of the entity and Congregation, most notably within an international context. This technical formation and education has equal value in the life of the Congregation as in other fields of study into which we invest the resources of personnel and finances (i.e., formation, spirituality, theological education, etc.).

Finally, all things considered, even though bursars do not have the ultimate responsibility, their administrative acts are binding on the Congregation.

Part III -- Norms and Procedures for the Administration of Goods

It is desirable for the Congregation to have a wellorganized management of temporal goods. This obliges all levels of administration to draw up budgets, provide timely reports, and produce balance sheets at the end of the fiscal year, as well as to follow common procedures in order to coordinate the various activities at the service of the mission. It is also important that all of these activities be accomplished as efficiently and transparently as possible to strengthen our bonds of solidarity and collaboration. (Cc 244-245)

Civil Registration and Incorporation

- [35] Our religious institute, in every country it is found, exists as a public juridic person and exists by law with the capacity to acquire, possess, administer and alienate temporal goods (c 634, §1). There ought to exist some official documentation from the local ordinary in whose diocese the principal house of the entity is located recognising the presence of the Congregation in his diocese. This document is to be kept, and a copy of it must also be on file at the office of the General Bursar.

In addition to the canonical structure of our institute, there is usually a civil law structure that needs to exist in parallel. The most common civil law structure used by institutes to establish a civil law existence is the non-profit corporation (and this determination will vary from country to country), which is also used separately by entities to incorporate different apostolates (e.g., schools, orphanages, etc.).

This civil structure must be created within a short amount of time once the mission of the Congregation is established in a country. The assistance of competent legal authorities, in consultation with the representative of the local church, must be consulted to help create this civil structure in each country. However, it is vital to note that the act of incorporation must respect the apostolic character of the Company of Mary and not be unduly influenced by external forces (a local ordinary or episcopal conference). This document must be safeguarded in the entity superior's office, with copies in the office of the entity bursar and also the General Bursar.

Periodic revision and updating needs to be done and is the responsibility of the entity superior who can delegate the bursar to perform this act (i.e., at the beginning of each new term for an entity superior). It is the responsibility of the General Bursar to ensure that there are copies of these documents and articles in the archives of the General Curia.

- [36] The General Bursar has a mandate to review and bring forward recommendations to strengthen and streamline processes in financial and organizational aspects of the administration of temporal goods in an entity. This is done in coordination with the Superior General and his council plus the entity superior/bursar. The General Bursar will prepare a report for the Superior General and his councillors.

An important step forward has been made in the development of systems for managing and control of working documents, aiming to:

1. First, to **clarify roles and responsibilities** to clearly define and strengthen the relationship of the bursar with the entity superior, and the entity with the General Curia;
2. Second, to **support provincial bursars** (and/or the assistant bursar) in their role and responsibility for greater accountability;
3. The objective is to have more **transparent** working relationships in the financial management of the Congregation thus providing more support for those who are working on a local level to fulfil their responsibilities.

Among the work that is being done, the most challenging is the yearly work that needs to be done on budgets and transparency in financial reporting.

Budget (Cc 260, 262)

- [37] Drawing up a budget means foreseeing with the greatest possible accuracy the income and expenses of the entity or community (ordinary and extraordinary) for the next financial year.

Periodic reports (i.e. periodic audits within a financial year, quarterly reports, etc.) are to be given to the competent authority, civil (when it pertains) and/or within the Congregation. It is up to the superior to determine the frequency of reporting.

In drawing up a budget, the following must be taken into account: the experience of previous years, economic developments and foreseeable future needs. Data that supports the effective preparation of a new budget should be sought in the months prior to the work of this task.

- [38] A balanced budget is necessary and is to be adhered to as closely as possible on all levels of the Congregation. An entity's minimum ordinary income should cover its maximum ordinary expenditure for the calendar year of the budget. This exception is to be noted in the budget that is presented for approval by the competent authority.

Surplus funds of an entity are to be used for paying off debts, for International Montfortian Aid and the projects of the Superior General, for new foundations, for

works of social justice, etc.

Extraordinary expenses must always be justifiable from the perspective of religious poverty, that:

- a) it is not a good witness for a local community to have excess funds at its own disposal;
- b) for an entity, all funds that remain above the ordinary budget ought to be invested as part of the long-term patrimony of the entity. This is keeping with the spirit of c. 1294 §2;
- c) if, after serious study, extraordinary expenses are judged to be necessary or extremely useful for the Montfortian Mission, they are to be budgeted and presented for approbation;
- d) extraordinary expenses are, by their very nature, *extra-ordinary (out of the ordinary practice)*, and therefore have to be part of the overall decision-making and policy planning of the entity. Extraordinary expenditures imply a greater investment or risk in a local community or entity and, therefore, ought to be approved by the competent authority. Such extraordinary expenses need to be budgeted and approved by the entity superior and his council.

[39] Except in a case of necessity (accepted by the competent authority) the normal financial year of the Congregation and all its entities is from 1 January to 31 December of the current year.

[40] Estimates in the budget are to be submitted to the competent superior at the beginning of the financial year with corresponding notes made on the budget sheets at the point where there is an estimate or doubt. In preparing the budget, the delays resulting from recourse to higher authority (extraordinary expenses which exceed the financial capacity) are to be taken into account.

[41] Once formal approval has been given, the bursar of the authority concerned, in virtue of his office, has the authority to apply it.

[42] In principle, the examination of the annual accounts must take place as soon as possible after the end of the financial year. The reason for this is to allow the administrative body of the superior authority to draw up its own balance sheet.

For this reason, the final date for all entity and Provincial accounts and balance sheets to reach the Generalate is 28 February (unless the calendar of the General Council dictates an earlier deadline). Because nearly all the entities have access to computerised accounting applications it is requested that earlier submission of an entity's budget report be done at anytime after the start of the new calendar year.

For the sake of expediency, especially when the February 28th deadline is approaching, electronic transmission of the report is permitted; approval is contingent upon the arrival of a signed copy of the budget report.

The General Bursar is available to assist any bursar or entity that cannot meet this deadline.

Balance Sheet

[43] The drawing up of a balance sheet means giving the financial situation exactly as it is at the end of the financial year. This is privileged information that is necessary for every administration.

[44] Placing ASSETS (what one owns) next to LIABILITIES (what one owes) shows either a net gain or a net loss. Many of the computerised applications for bookkeeping

will prepare this report automatically. The data is then to be transferred to the official report that is sent to the entity superior and then to the General Bursar.

- [45] In ASSETS, the following must be accounted for:
- a) real estate = property, buildings, equipment (the value at time of purchase)
 - b) inventory valuables = furniture, precious objects.
 - c) investments
 - d) accounts due from third parties = bank, General House Account (if any) and the entity investment in the Montfort General Fund
 - e) liquid = cash in hand and bank account balance(s) as of 31 December
- [46] In LIABILITIES, the following must be accounted for:
- a) non-transferrable funds for specific purposes (scholarships, special works, etc.)
 - b) debts = outstanding accounts, loans (borrowings)
 - c) Masses intentions or stipends still to be celebrated
 - d) private debts or short-term loans from third parties
- [47] The relationship between RECEIPTS and EXPENSES is the basis for:
- a) the statutory contribution (3/4 or a fixed percentage of the net revenue) of a local community to the Provincial account or the total amount of a subsidy from the Province to a community which has a deficit.
 - b) the statutory contribution (a fixed percentage of the net revenue) of a Province to the Generalate or the total amount of the subsidy, if one is needed.

Financial Committee

- [48] Because of the importance of their financial situation, Provinces should not hesitate to call upon a financial committee, and even to seek expert lay advice. Membership on the financial committee should reflect the life of the Province, but ought to be open to qualified and trusted lay persons whose advice and experience needs to be carefully weighed in a decision making process.

Implicitly, canon 537 can be understood to apply to the administration of temporal goods in the Company of Mary. This canon stipulates that parishes must have financial councils or committees to assist in the administration of goods. Thus, influenced by the principals of subsidiarity and accountability, our administration of temporal goods ought to be guided by a council or committee to assist the bursar (general or provincial) in the exercise of his duties. It is for the competent authority to determine the membership of this committee or council.

All care and due diligence ought to be followed when selecting these members, avoiding relations and friends of the superior or bursar. The recommendation of the financial committee needs to be seriously considered when the entity superior and his council are taking decisions.

Register of Mass to be Celebrated

- [49] Particular case for the celebration of **MASSSES**: The common norms must be respected for Mass stipends. (CL 944-958, 1304, 1308)
- [50] Throughout the Congregation, no Perpetual Mass Foundation is to be accepted without the express authorisation of the Superior General with the deliberative vote of his Council.
- a) By virtue of our vow of poverty, and our common goal of holding all things in common, Mass stipends belong to the Congregation and are part of the common

purse (cf. S 23);

- b) Every local community is to keep a Mass Register;
 - a. the account of Masses which have not been celebrated are to be kept in a separate account book;
 - b. these funds are held as a *liability* on the accounts until the commitment to celebrate the masses has been fulfilled.
- c) In addition to the masses provided for in the statutes (S. 31), it is fitting that, in communities where there are Brothers, Mass should be celebrated for their intentions every month.
 - a. Consideration of the Brothers also implies that they are not excluded from the benefit of the stipends that have been received. Even though they are not celebrating the liturgy the Brothers are members of the Congregation and, therefore, have a right to the common benefit of the offering given and a share in what has been received.

[51] Following the directive of the provincial chapter, it is the responsibility of the competent authority and bursar of the entity to insure that, upon the death of a confrere or the close relative of a confrere, that:

- a) Each member of the entity is informed
- b) and that the prescribed number of masses are celebrated in memory (S 31)
- c) the mass stipend for such memorials is abrogated but the obligation remains
- d) it is for the competent authority and his council to determine the annual date for the Eucharistic celebration in memory of our confreres, family members, friends and benefactors. If possible the confreres of the entity are to be invited to participate.

Part IV -- Financial Management

Investment Policy

[52] An investment policy of the Congregation exists to help finance the present works of the Institute and offer a level of security for the future. During a period of reinvestment and reorganization the investment policy of the Congregation is a project that has to be allowed to emerge and to be adapted. Major financial investments form part of the patrimony of the Institute.

To achieve solid investments, we try to follow these aims:

- a) That they should be investments of "a good householder" (CL 1284 §1);
- b) the safeguarding of the real value of the patrimony of the Congregation (CL 1284 §2);
- c) the acquisition of an honest income capable of providing for the various needs of the Congregation (C 255) "without any immoderate gain or accumulation" (cf. S. 25);
- d) the exercising of a positive influence in favour of a more just social order (C 254) in the spirit of an authentic Montfortian Apostolic mission and the social doctrine of the Church.

Criteria for our work and investments:

- a) security, based on the quality and foreseen future stability of the securities we buy;
- b) diversifying of investments (currencies, countries, companies) with the object of sharing risks;
- c) maintain a balanced portfolio of stocks (equity), bond (fixed-income) and

liquid assets (cash or cash-equivalents);

- d) dispersion in order to facilitate the administration and control of the portfolio;
- e) staggering of the times of maturity, in view of future needs and in order to guarantee a margin of freedom for necessary action;
- f) consultation with experts in financial matters and economic contingencies.
- g) care of securities entrusted to societies of established reputation, which agree to act in conformity with the laws of the Church and the aims of the Congregation;
- h) vigilant oversight and an effective communication to the investors.

Protecting our securities is not speculation but rather a safeguarding of our patrimony. Due diligence has to be observed at all times. We are to take the initiative always to be as educated as possible in matters that touch upon this large part of our financial stability and overall accountability. Such responsibility is part of our stewardship and cannot be delegated to others without expressed and informed discernment. Regular communication and collaboration with our financial advisors and managers communicates that we are trying to be good stewards of the patrimony and, at the same time, carefully observing how they guide and direct our investment.

At no time is it permitted for the account managers and financial advisers to direct the investment policy of the Company. The sole responsibility for the investments and patrimony rests with the Superior General and his delegate.

It is strongly urged that the General Bursar have adequate preparation and training in financial management and the language of investing.

The Limits to be observed:

- a) Investment choices should be as balanced as possible, within standard investing practices;
- b) Investment policies and practice should be done on a long-term basis, not for short-term and quick investments. Maintaining a long-term horizon gives more steady and solid return-on-investment and, in general, a lower level of risk;
- c) Furthermore, one must avoid investing in a business whose aims run counter to human life and dignity, social justice, morality and the teaching of the Church.
- d) In several countries, Episcopal Conferences support research and informational organisations that deal with financial affairs. It is strongly recommended that the bursars be networked with these organizations to help maintain as high a level as possible of professional conduct. In cases where this is not possible, then the financial manager ought to have a very good understanding of religious life, evangelical poverty and the goals of good stewardship. Previous experience of having worked with religious congregations is very important when choosing a new investment manager.
- e) Speculative investing is strongly discouraged as the risk is too high, no matter how much return on investment is promised in a short-term investment.
- f) Forms of investment are financial, but also can include real estate as long as it is not in violation of the mission of the Church or of the Company.

The Management of the Portfolio

As soon as the norms and procedures relating to financial transactions have received the approval of the competent authority, the administrator may proceed with the necessary acts of administration. (CL 638 §§ 2, 3)

All transactions that pertain to the investment portfolio must be communicated to the Superior General. He receives quarterly reports on the status of the portfolio. The Superior General approves in writing all transactions (deposits, open accounts, close accounts, entity transactions) that are considered above an ordinary level of

transaction.

- [53] The goods which we own or administer (on different levels) and which form our receipts in the accounts are divisible into:

- liquid assets,
- fixed assets.

[54] Liquid Assets (liquidities)

These funds are "cash in hand," or the money that is held in the bank (current or savings accounts, investments, etc.). These are funds that are either cash or cash equivalents. They can also be amounts of money on deposit that can be converted quickly into cash and used to cover current administrative needs.

They should, as a rule, be limited to amounts that are strictly necessary. The maintenance of large amounts of liquid assets is highly risky and the return on liquidities normally is quite low (usually low or no interest is gained on cash deposits).

To remain faithful to religious poverty, and to avoid difficulties arising from replacements of bursars, all bank accounts are to be registered in the corporate name of the Congregation and must bear more than one authorised signature. No investment account is to be held in an individual confrere's name.

Except for rare instances, a montfortian religious should not hold personal banking accounts. In such cases when this is permitted, the competent authority must be informed. The same religious authority ought to have access to the account's funds, minimally being a co-signer of the account.

For any transfer of funds that are judged important by the competent authority, two signatures are required. For an account not requiring two signatures, signed consent needs to be given by the competent authority. (CL 638 §3, 639 §5) In some instances, electronic forms of consent can be acceptable as long as they are kept in the file with the other paperwork for a transaction and the competent authority is informed.

[55] Long-term liquid assets

These are funds that are put in transferable securities (bonds, stocks, loans) and real estate (buildings, property)

- a) This kind of investment is reserved to Provincial and General authorities.
- b) A major superior may, with the consent of his Council, and for exceptional reasons, authorise 'ad causum' a local superior to invest in transferable securities. (cf. CL 639 §5) Such consent must be established for a fixed length of time and be reviewed regularly.

[56] Fixed Assets

According to our constitutions and statutes the administration of these goods belongs to the entity.

- a) This is for either:
 - a. movable goods = furniture, libraries, missionary exhibitions, equipment, trucks, motorcycles, cars, etc., which are for our use at the service of the mission. This includes computers and other modern technological tools that are used by a confrere in the exercise of his ministry.
 - b. real estate = land and buildings.
- b) When real estate is purchased for the sake of earning revenue (an income stream) due diligence must be exercised. In other words, care must be taken at all times not to exceed what is permitted under local laws, especially those laws that pertain to tax-exemption and the status of the Congregation's legal identity in the country or locale. Legal and financial

advisors are essential for the process of discerning how to use real estate as an income stream, since these lay persons are able to explain how the Congregation can best use its property for such a purpose, without the risk of losing tax-exemption or incurring legal penalties.

All income generated by a real estate asset must be declared on the annual income and expense report and entered into the new year's budget when these are submitted to the Generalate for approbation. This income is considered ordinary income, even if it is applied to paying-down a mortgage or construction costs for the building.

Any penalties or loss of tax-exemption are the responsibility of the entity and not of the General Administration, the Congregation or the Curia, unless there is a highly justifiable reason to request differently. Such a request is sent to the Superior General.

- c) Administering, maintenance and upkeep, and the increasing value of these goods belong strictly to the Provincial and General Authorities, as set forth in other sections of this handbook.
- d) all real estate is subject to the norms of Canon Law concerning administration (CL 1254, 1284) and alienation (CL 634, 1291ff; see appendix), as a sign of evangelical witness. (CL 640).

Alienation of Property

[57] The 1983 Code of Canon Law is specific on the making of contracts and the alienation of property. (Cc. 1290-1298)

When used, the term "alienation", relates to: (CL 1295)

- a) sale of goods belonging to the Congregation
- b) gratuitous donations
- c) permanent rental or lease
- d) mortgage or financial pledge (guarantee) profiting a third party.

NB: Alienation is not in question unless the object to be alienated is either a part of the stable capital or of the real estate of the congregation, including objects of great artistic or historical value. Acts of alienation of such large or valuable assets must be considered with Superior General and his Council, and possibly the Holy See.

[58] Only the Provincial and General authorities are empowered to deal with these matters.

For the alienation of property, the Superior General or the Provincial (depending on the case) must obtain the consent of his Council;

- a. The Superior General should always be informed about the sale of property, even if it is a purely provincial transaction.
- b. When seeking to alienate property or assets held in the name of the Congregation, the authorisation of the Superior General with the consent of his Council is **always required** for the Provincial Authority, even if the transaction does not exceed his financial capacity.
- c. With reference to the goods of the General Curia, the approval of the E.G.C. is required (C 260) even if the proposed transaction does not exceed the financial capacity of the General government.
- d. The authorisation of the Sacred Congregation for Institutes of Consecrated Life and Societies of Apostolic Life is required for each act of alienation in which the amount exceeds the financial capacity of the General Curia, except for what is foreseen in Canon Law.
(638 § 3.2)

[59] To obtain the authorisation of the Superior General with the approval of his

Council or the CICLSAL, the Provincial Superior must present a formal request for each transaction and furnish the appropriate dossier. Consideration should also be given to any requirements or conditions set forth by the local Episcopal conference.

As Montfortians our consideration has to be for the good of the Church's mission. Though the Congregation has the authority of alienation of real property that belongs solely to the Institute, the local Ordinary ought to be informed. His permission is not necessary but he can offer his opinion on the sale or lease of the property.

A dossier that is prepared for the Superior General must include the following elements:

- a) Objective Goal: to give in detail the nature of the transaction: sale, mortgage, rental, etc.
 - i. description of the property and a competent evaluation of its value [land survey, professional evaluation of its resale value, etc.] (CL 1294.1)
 - ii. terms of payment (or rental)
 - iii. use of revenue (capitalisation, payment of debt, useful expenses, etc.)
- b) Motivation: reasons justifying the transaction;
- c) Information: all useful data for understanding the transaction: pointing out in particular the scope of the civil law of the country where the transaction is taking place.
- d) The deliberative vote of the Provincial or Entity Council, mentioning opposing views, if any.
- e) A separate sheet ought to include the written opinion of the provincial bursar.

Borrowing

[60] The conditions for borrowing are similar to those for alienating as regards the ones who are responsible for making the decisions and the necessary authorisation they must receive.

[61] Together with the formal request, the dossier must contain:

- a) Objective Goal: the destination of the proposed loan.
- b) Motivation: the reasons which justify the transaction
- c) Information:
 - a. the total amount to be borrowed
 - b. the name of the lender: person, company, institution.
 - c. the conditions for the loan:
 - i. annual interest (%) to be paid.
 - ii. annual repayment of capital
 - iii. stipulated length of time to reduce the debt
 - iiii. the equity given (mortgage)
 - d. the capacity to repay (solubility) of the borrower based upon:
 - i. a balance sheet of the previous five years
 - ii. the anticipated resources with which to meet the new obligation
 - iii. outstanding debts and the amount of the agreed mortgage.
- d) The deliberative vote of the Provincial or Entity Council, mentioning opposing views, if any.
- e) The written opinion of the provincial bursar ought to be included.

[62] When borrowing it is important that the loan is stated as being:

- a) for the same project
- b) by the same borrower
- c) although the length of time of the loan is of little importance, a commitment to repay what has been borrowed must be included
- d) the total sum is cumulative when it is a question of determining the competent authority for the authorisation of the loan.

In the case of a loan made within the Congregation, recourse to the CICLSAL is not necessary even if the amount goes beyond the stipulated limit.

Extraordinary Expenses or Projects

[63] In principle, the required capital must be available to initiate and to bring to a successful conclusion any building project or extraordinary expense. This needs to be assured before the project is undertaken.

[64] The Provincial and General authorities are those empowered to make the decision. A Montfortian without authorization or knowledge of the competent superior cannot undertake an extraordinary project or expense. Such a project entails a binding commitment that implicates the whole entity.

- a) Whenever the amount exceeds his personal capacity, the Provincial must obtain the consent of his Council.
- b) Whenever the amount exceeds the capacity of the Provincial with Council, the authorisation of the Superior General with the approval of his Council is needed.

[65] The deposit of the formal request for an extraordinary expenditure must be accompanied by the dossier containing:

- a) Objective Goal:
 - a. subject incurring the expense: a residence, a work, the Province
 - b. the nature of the expense: purchase, reconstruction, important renovation, expansion of a project
 - c. the cost plus repayment conditions; in cash or in instalments.
- b) Motivation:
 - a. the reasons justifying the expense.
- c) Information:
 - a. capacity to pay by the one making the request (solubility shown through a balance sheet of the previous five years).
 - b. the resources available for the project: either annual income, sale of goods, or a loan.
 - c. if it is a question of construction or renovation, the plans and estimates must be submitted.
- d) Deliberative vote of the Entity's Council, indicating the reasons for any dissident opinions.
- e) Include the written advice of the bursar(s) concerned.

[66] If the outlay entails a sale or a loan, the authority in question will observe the norms and decrees mentioned above (i.e., alienation and borrowing), especially including the request of authorisation of sale and/or to borrow in view of the expense involved.

Even if the expense is planned and spread over a period of several years, it is the total estimated sum that determines to which competent authority one refers. If there is uncertainty or doubt, consultation of the Bursar General or Superior General is

recommended.

Loans

- [67] The term, *loan*, means a release of capital for a humanitarian or charitable purpose, because of some special reason. There are usually written stipulations or conditions for the loan that must be safeguarded and followed.

Normally, the General Curia is not in a position to loan funds to an entity.

- [68] The making of a loan must always be considered as exceptional and be handled prudently; there is always a great risk involved in it.

- [69] Each case must be studied separately. We must consider:
- a) How it fits into the framework of Montfortian apostolate?
 - b) By whom and for what purpose will it be used?
 - c) If it must first receive the authorisation of the Superior General with the consent of his Council or of the CICLSAL. If it does, the Provincial Superior must make a formal request for each transaction, and provide the relevant documents so that an informed decision can be made.
 - d) For how long a time, and what are the annual repayments that will have to be made.

- [70] Every clause in the loan and every loan contract must be in writing. It is always best that legal or financial experts review the loan's conditions before seeking to have it agreed upon or accepted.

- [71] Only Provincial and General Authorities are empowered to make loans.
- a) On the Provincial level, the duration of the loan must not exceed the term of office of the Provincial.
 - b) The grand total of current loans must not exceed the financial capacity of the Provincial Authority. It is the direct responsibility of the entity bursar to insure that this is duly regarded.
 - c) To make a loan exceeding the financial capacity of the Provincial and Council, or which goes beyond the Provincial Authority's term of office, the authorisation of the Superior General is needed.

- [72] Recourse to higher authority presupposes a formal request that is supported by a dossier comprising:

- a) Objective Goals: to whom is the loan being made; the amount to be loaned; and all conditions. Such conditions ought to include the
 - a. annual interest rate (%) to be received
 - b. agreed annual repayment of capital
 - c. length of time until the loan is fully repaid
 - d. guarantees (mortgages) offered.
- b) Motivation: reasons justifying the loan
- c) Information Required:
 - a. The financial capacity of the Province is shown;
 - b. by a balance sheet of available assets,
 - c. by the financial report showing the revenues of the past five years.
 - d. by a complete account of the approved loans during the term of office of the present Provincial
 - e. the borrowing capacity of the borrower (solvency) is shown:

- f. by his sources of revenue and their sufficiency to meet new obligations.
 - g. the solidity of the guarantees which are offered.
 - h. authentication of honesty, if necessary.
- d) the deliberative vote of the Council must accompany the dossier, with the reasons for divergent opinions, if any
- e) Include the advice of the Provincial Bursar.

Gifts and Legacies

[73] In principle, the will of the donor must always be respected. (CL 1267) Serious reasons and consideration must be given to any exception of this norm.

[74] In practice, gifts and legacies should be considered under the following two aspects:

- a) Every level of authority has the right and capacity to receive gifts and legacies
- b) The capacity to use the amounts received is tied to the financial capacity, and follows the same rules.
 - a. No burdensome gift, nor onerous legacy, is to be accepted without authorisation from the next competent authority.
 - b. The acceptance of a burdensome gift or legacy will be matched with the clause stipulating that the obligations which have been agreed will cease in proportion to the reducing in value or the loss of the revenues.

(CL 1310 §1)

Gifts from one entity to another

[75] In view of our common vow of evangelical poverty and the commitment to solidarity in the mission of the Company financial gifts and legacies are sometimes made from one entity of the Congregation to another. The generosity of one entity that comes to the aid of another is commendable. These transactions rest at the level of those entities involved in the transaction.

It is recommended that these gifts or donations be communicated to the office of the General Bursar, especially when it includes an entity that is dependent upon the General Administration. If at all possible, the Superior General or Bursar General ought to be consulted beforehand, to solicit any information that may help.

Such transactions enter into the annual balance sheet of the entities that are involved:

- as an (extra) ordinary expense of the donor;
- as an extraordinary income of the recipient;
- details MUST be given on the page that requests explanation of gifts sent and received in the annual financial report that is sent to Rome;
- it is up to the Superior General to question all transactions
- when necessary or when requested, the accounts of the General Curia are available to help with the transfer of funds. Consult the General Bursar for details.

Finance Committee

[76] The particular character of all his acts of administration, as well as the meeting point where they converge with the provincial's mandate, indicate that a bursar must avoid acting independently. The complexity and importance of certain dossiers show that it is prudent to seek advice from consultants, chosen by reason of their competence, their discretion and their understanding of the Montfortian Apostolic project.

Such dossiers would be:

- a) the study of certain questions concerning investments, securities, borrowings, loans;
- b) the analysis of the evolution of the financial state of the Province within the overall picture of the country and of the Congregation as a whole;
- c) the preparation and evaluation of social security and social justice schemes;
- d) the extent of the influence of the civil law and the right of the government to intervene in financial dealings.

The recommendation of Canon Law underlines the importance of all this. The canon states:

Each juridical person is to have its own finance council or at least two counsellors who, according to the norm of the statutes, are to assist the administrator in fulfilling his or her function. (CL 1280)

- [77] The work and conclusions of this committee that assists the bursar in no way diminish the final responsibility of the Provincial Superior and his Council, to whom it falls to make the decisions and to give the general direction for the administration of the temporal goods of the entity.

Membership on this committee needs to be for an established amount of time, especially for laypersons who have been invited to sit as members. All prudence and judgement should be given to avoid a conflict of interest in the selection of membership.

Assistance in the Bursar's Office

- [78] Considering the diminishing numbers of confreres who are capable to exercise this service on a day-to-day basis, and in light of the close collaboration of many competent lay persons, it is strongly recommended that the bursar have an assistant who can help with the data and bookkeeping work that is necessary in his assigned task. Thorough preparation and good references have to be part of the hiring process, given the delicacy of this ministry.

The bursar and the entity superior have to collaborate closely in the selection of this assistant and in the development of his or her work-contract.

Electronic and computerized accounting systems should be used in the work of the bursar's office. All files need to be regularly reviewed by the entity bursar, and corrections made on a timely basis to avoid any confusion at a later date and to be aware of any conflicts that need attention. Final responsibility rests with the entity bursar and superior for all financial activity.

A just compensation must be paid for the work assigned to the lay employee(s) and should be as close as possible to local standards or the norms of the local diocese.

Consideration must be given to the development of a pension plan, if customary in the region, for all employees of an entity.

Part V -- Montfortian Mutual Aid

- [79] This title includes the following:
- a) all forms of obligatory or voluntary contributions,
 - b) all forms of statutory or discretionary subsidies.
 - c) all the "organisms" of the Congregation whose sole *raison d'être* is to obtain and ensure the necessary funds for particular needs.

- [80] Underlying this, as a unifying principle for everything, is a voluntary personal

and community sharing of our temporal goods in the light of our common vow of evangelical poverty, of greater transparency and the efficient stewardship of limited resources. (cf. Cc 82-91, Ss 19-28) All levels of the Congregation should feel bound by these principles.

Contributions of the local communities to the Provincial or Entity purse

- [81] Contributions from each local community are necessary to enable:
- a) the expenses of the provincial administration to be covered
 - b) provincial services to be covered: formation houses, reception centres, medical expenses, insurance, etc.
 - c) the necessary financial support to be provided for works which are in deficit
 - d) missionary projects to be supported
 - e) resources to be maintained and on-going formation assured.

These contributions are complimentary to those already stipulated in the entity's statutes (monthly or quarterly reporting, percentage of contribution, etc.) concerning the common purse and the ways that each religious is to live the vow he assumed freely.

- [82] When local community's expenses have been paid from the local purse, all surplus funds are at the disposal of the Provincial Administration. (Cf. no. 19, above) It is recommended that the Provincial Bursar be notified and asked how best to utilise these funds for the common good. The bursar will consider this and make recommendations for the major superior's decision-making.

It is the responsibility of the local bursar to ensure that these funds are transferred in a timely and efficient manner so that the Provincial Bursar is not required to request them or seek other ways to collect them.

- [83] It is for the Provincial with the consent of his Council to determine what proportion of their income the local Communities are to contribute annually. This contribution is to be given at a time determined by the provincial administration. At other moments in the year, if excess funds be available, these can be offered to the entity.

- [84] The Provincial determines the financial capacity of a local Community, in concert with the Local Superior.

Entity contributions for the General Administration

- [85] The purpose of these contributions is to share in the expenses of the central government of the Congregation.

- [86] **Per Capita (S 83)**

To underline the participation of each Montfortian in the common expenses, the principal of a 'per capita' contribution will be maintained, that is by every religious in final vows without exception.

This contribution is obligatory and uniform. The General Chapter determines this amount (i.e., 2011 Chapter determined it to be set at €50.00 [Fifty Euro]) for each perpetually professed religious. The General Chapter of 2011 chose to have this calculation determined by the number of personnel on 31st December of each calendar year.

The Per Capita payment of the contribution to be made as soon as possible after 1 January, or under other acceptable conditions arranged with the Bursar General. If at all possible, these contributions have to come directly from the entity.

It is up to the authorities concerned to determine the way the contributions are made

on behalf of their Mission entities and for those working in another Province.

[87] **Solidarity (S 84)**

- a) This contribution is financed by statute and is offered by the Entities according to their ability
- b) The payment is made yearly and is determined by the General Chapter. For 2011 this amount was set at €3,000
- c) In determining the amount to be given, should there be any hardship expressed about this payment, the financial position of a Province will be taken into account

[88] For all monetary transactions, the exchange rate is to be calculated by the general bursar according to the recommendations of the finance committee.

[89] It is for the Superior General, with the consent of his Council, to determine the administration of these funds.

[90] **Deficit**

Since the General Curia is at the service of the Congregation, and has no means for economic self-sufficiency, the Entities who are able are asked to make a contribution each year to cover the deficit in the curia's budget. Once the budget is calculated and presented to the Superior General, the Bursar General will communicate with the Provinces to ask their collaboration and arrange the payment of these funds.

[91] **General Support Account (GSA)**

Funds were set aside to help with the on-going formation of our confreres from the growing entities. These funds are administered by the Superior General, and were donations from some of the larger provinces in order to help offset the cost of preparing future leaders and formators; and in the professional training of some of our confreres. All payments from this fund are authorised by the Superior General who receives regular reports on the status of this account from the general bursar.

[92] **International Montfortian Aid (IMA)**

International Montfortian Aid (IMA) was originally part of the distributed funds from the former *Sharing Fund*. When the Sharing Fund was dissolved on 31st December 2011 the portion of funds allocated to the IMA were set aside to provide for the initial formation needs of the growing entities. IMA receives a yearly donation from many entities to help continue to work of initial formation around the Congregation.

The ultimate responsibility for the administration and direction of the International Montfortian Aid belongs to the Superior General with his Council. It is administered from the Generalate.

It is fitting that the members of the Extraordinary General Council receive privileged information on the current state of the International Montfortian Aid and on the total amount of subsidies granted.

[93] **Yearly Schedule for IMA**

The International Montfortian Aid financial year goes from 1st January to 31st December of the current year. It is for the General Bursar to determine, with the Superior General's consent, the allocation on a timely schedule (usually quarterly).

[94] **Deadline for Application**

Request for IMA assistance should to be sent to the General Bursar's office by September 30th of the preceding year. This helps with the planning and scheduling of funds. Approval for the requested grant can only be given by the Superior General with the consent of his Council. The annual request should come from the entity superior.

- [95] In other cases, of which he is the judge, the Superior General, with the deliberative vote of his Council, can apportion amounts at his discretion if the funds are available.

- [96] It is not the purpose of the mutual aid provided by IMA that grants be provided to establish a formation fund in order to make interest. This practice cannot be justified.

N.B. When a Province makes a request to another province, or to several others, for assistance with formation needs, it should inform the General Bursar.

- [97] A payment schedule is presented to the recipient entities when the IMA grant is approved. Quarterly payment is the most effective way to allocate funds, to assure that sufficient funds are available for all the recipients, and to ensure that the grants for formation are received from the donors in a timely manner.

It is most desirable to make payment directly to the account of the entity or formation community.

- [98] **Montfort General Fund (MGF)**

The Montfort General Fund has evolved to serve different needs in the entities. With the dissolving of the Sharing Fund in 2011 the Montfort General Fund (hereafter, MGF) remains as an investment on behalf of the entities that is administered by the General Bursar's office.

The MGF is a major financial commitment for each of the investors. It has to be administered prudently and with constant oversight to help it continue to have positive returns. Financial managers should be selected because of their experience, and their understanding of our religious identity, and who are capable of thinking of such an investment from a global perspective.

The participant investors in the MGF must understand the primary goal of a financial investment in a growth-oriented portfolio. Financial investments are considered long-term investments, with a minimum ten-year horizon. When an entity, or participant, treats its investment differently there is a strong possibility that their return will be quite low and that the return for all the other investment's participants will also be low. Serious consideration has to be given to all withdrawals from the MGF.

The investment policy should be no more than moderately risky and reflect a balance between stocks (equities), bonds (actions) and liquidities (cash). The cash portion, unless for extenuating circumstances, ought to be 5% or less of the overall position of the MGF.

- [99] Stock purchases constitute the purchase of a share, or partial ownership, in a company that has publicly listed its business on a major stock exchange. Through the financial investment banks that have received our money stocks are purchased, along a socially conscious set of principals and only in major corporations or industries.

Proportionally, stocks perform better when looked at on a long-term horizon and offer a significant portion of the growth in any investment portfolio.

It is for the investment managers at the banks to make purchases and sales of stocks that have to be reported to the General Bursar's office for clear record-keeping. Such oversight affords the Congregation an opportunity to direct the stock purchase policy of the MGF.

[100] Bonds (actions or fixed-income) are funds which are lent to a corporation, state or other institution for a specified amount of time and for an agreed upon rate of return. These are a more complicated form of investing when compared to stocks, but the long-term return is very solid; and bonds are recommended to be a substantial portion of a balanced portfolio. Bond investing is less risky than stock investing, generally. Bonds act as a counter-balance in an investment portfolio to the stocks: when one goes up, the other goes down. The investment policy of the MGF ought to weigh bonds in proportion to the amount of money invested in stocks and also to that percentage which is held in cash or other liquidities.

[101] Liquidities are any funds that can easily be turned into cash. In an investment portfolio liquidities are almost always cash and ought to be around 5% of the total investment. The rate of return on cash is quite low and, therefore, should not be held too long before it is invested.

For the MGF, the cash in hand is that which is to be paid-out to the entities each year.

[102] The MGF is not insured or guaranteed. The participants enter into this Fund as part of their collaboration in the long-term growth of the Congregation and to receive a return on their investment. Past performance does not indicate that present or future yearly returns will be similar. This Fund is invested in world stock markets and, as a result, rises and falls in value according to how world economies and political situations affect those markets.

Deposit of Capital into the MGF

[103] The initial investment made by a participant has been entered into the total investment of the MGF at its banks. Each participant donates into the MGF in dialogue with the General Bursar, who is the Fund coordinator.

All funds are credited to the investment of the participant and will increase or decrease in proportion to the level of ownership of the MGF that is held by the participant.

All participants equally share in the expenses and management fees of the MGF and this is calculated proportionally at the end of each quarter.

[104] Funds can be added to a participant's investment at any time.

It is preferable that all funds be deposited in Euros or US Dollars. Exchange rates can be verified by conferring www.xe.com. As a general practice, the rate of exchange at the close of business on the quarter's last day is that which is used throughout the new quarter that opens the following morning. When deposits are made, we enter the deposit at the rate that is credited to us by the financial institution; subsequent transactions are calculated at the quarterly rate for the MGF.

Withdrawal of Capital from the MGF

[105] The capital invested in the MGF remains the property of the participants who have deposited. It may always withdraw it, in whole or in part, as they decide.

[106] Formal notice of a partial or total withdrawal must be sent to the Superior General. This notice must come from the entity's major superior and have the consent of his council. It is recommended that the entity bursar's opinion be noted in the letter of request, or on a separate communication.

[107] Advance notice may be given to the Bursar General or MGF administrator, depending on the amount of money involved in the withdrawal.

[108] If the reason for the withdrawal is because of an urgent need of liquid assets, the General Bursar, in concert with the Authority concerned and the consent of the Superior General, is willing to be of assistance with other solutions.

- a) There is a possibility of obtaining a "line of credit" from the banks, without a high cost;
- b) The replacement solutions will be adapted according to each individual case.

[109] If the decision to withdraw remains in force, it will be carried-out. It is up to the General Bursar to inform the Superior General and the entity Superior that the request has been completed.

All financial records and memos about the specific request must be safeguarded for future reference. When possible, copies should be given to the entity that has made the partial or complete withdrawal.

[110] Request can be made to the Superior General and his Council for a yearly allocation or payment from a participant's investment. Prudent investing dictates that this withdrawal comes from the interest that has been earned and does not touch the principal (or original) investment.

[111] Under ordinary circumstances a yearly request for funds to be withdrawn from the participant's investment should be in the range of 2.5% to 3.0% per annum.

Formerly, much larger allocations were given but this is no longer a sustainable practice. All large withdrawal requests must be sent to the Superior General. It is for him, with the consent of his Council, to decide on how much will be allocated. The General Bursar ought to be consulted on such requests.

[112] An entity's, or participant's, investment does not constitute their sole path to economic self-determination or self-sufficiency. It can be an element in that path, but is not the only means by which an entity can consider itself to be economically autonomous.

[113] All activity of the MGF is reported to the Superior General and withdrawals receive his approval (and that of his Council, when appropriate). He receives a quarterly report on the status of the MGF, and a year-end report that shows the growth and/or decline of the Fund, its challenges and considerations for the new year.

Each transaction request is to be acknowledged in writing by the entity's superior. He has ultimate authority for the property and investments of his entity.

Withdrawals are only sent to the entity that holds the investment in the MGF, not to a third party. All bank fees are the responsibility of the investor, not the Fund or General Administration.

[114] All participants receive quarterly reports that show the activity of their account and also any profit or loss in the preceding three months. The reported and standard currency used in the Montfort General Fund is the Euro. When possible exchange rates are posted to help with the calculation into local currency and a clearer understanding of the status of one's account(s).

Exchange rates can be verified by conferring www.xe.com.

[115] The interest, and/or the change in value, of the investment is calculated quarterly. This is allocated to the participants proportionally.

The participants also share in the fees and expenses of the MGF and its administration levied by the banks, financial advisors and General Administration. This is also a proportionate sharing of the expense, depending on the amount each entity has invested in the MGF.

[116] The General Curia has a right to withdraw a percentage from the MGF to cover its expenses in the administration of the Fund. This should be in proportion to the amount of expense paid to the banks and managers. The S.M.M. Management Fees cannot exceed 1% of the balance of the MGF at 31st December; ordinarily they will be in the range of .50% to .65%.

[117] The MGF is managed directly by the Bursar General. He decides on the direction and policy of the MGF investment. He takes council from the managers hired to conduct business on behalf of the congregation and also conferees whom the Superior General acknowledges to assist and aide his decision-making process.

It is solely the Bursar General who has access to the funds, and not the banks or financial managers hired to assist in the administration of the MGF.

Regular and periodic meeting with the financial managers and bank professionals is encouraged.

[118] The Bursar General is obliged to share all decisions concerning the MGF with the Superior General and his Council. Also, the reports on the MGF are shared confidentially with the members of the finance committee appointed by the Superior General. He also communicates regularly to the investors about the administration of the Fund and any changes that have been authorised by the Superior General.

Grant Writing

[119] The Bursar General can assist with the development of grants and other means to find funds for projects around the Congregation. He is assisted by the confrere(s) responsible for the project who will communicate with him regularly and also provide all requested documentation and reports. The knowledge and approbation of the entity superior is essential and no grant writing work can be done without his consent.

Professional grant writers can be employed to perform this function. However, all funds gained by the grant writer are the property of the Congregation. Funds are sent to the Congregation and not to individual confreres. It is customary that a percentage of the grant is paid to the grant writer, as well as the stipend or salary that has been negotiated.

Conflict of Interest

[120] All efforts and measures have to be taken to avoid any conflict of interest by the Bursar General or the Administrator of the Montfort General Fund when either is involved in transactions. Favours are to be avoided and due diligence is to be exercised. In case of doubt or of conflict of interest, it is for the Superior General to decide on how best to proceed. This should be done in writing and these documents are to be maintained in the archives of the particular transaction.

[121] Transparency in all matters of this Fund is recommended and these recommendations are to be heeded when they are offered, in a constructive manner for the improvement in any and all levels of communication.

Part VI -- Personal Responsibility for Temporal Goods

The Good of the Community

[122] The bursar may be asked to intervene, more or less directly, for the good of the community. His intervention is be "justified" because certain norms need to be respected.

[123] The principle of “having all things in common,” according to the vow of religious poverty, obliges us to put into the common fund all that we receive (C 87):

- salary;
- Mass stipends;
- all that we receive from our work or apostolic activity, no matter what this may be;
- pensions;
- gifts (financial and real property);
- annuities;
- insurance;
- and earnings of every description.

Some specific examples of this are:

- **Insurance:** indemnities (life, accident, old age, illness): these are always handed over to the community, no matter how they are paid or to whom they are addressed;
- **Benefits** obtained by belonging to a pension fund, a lottery, or competition are passed to the community;
- **Gifts:** Except in the case of a relative formally specifying it (cf. Goods of Patrimony (C 88-89) all gifts are to be given to the community. These include gifts of money, goods or property;
- **Money** given to the members for their use, is not a personal possession; an account must be made of it after it is received and then how it is spent.
 - In order for one's commitment to the vow of poverty to be effective, the religious undertakes to ask the competent Superior for authorisation before spending a large amount of money.
 - This is in line with the financial capacity of the local community to which the confrere is assigned.
- **Personal bank accounts:** in certain special cases (and under special conditions determined in advance) with the requisite authorisation of the competent Superior, a religious may open a bank account for his own use. If at all possible, under local laws, the account should bear the legal name of the Entity.
 - He will see to it that there are several authorised signatories on his account, one of whom is a member of the Congregation (provincial, bursar, etc.);
 - Large sums of money should not be kept in this account
 - A special statement should be made to the effect that the account belongs to the Congregation under whose legal identity this account has been opened. In such cases, bank statements can also be sent to the provincial bursar for his knowledge and oversight.

[124] All property that is purchased for a particular ministry or apostolic commitment belongs by right to the Congregation. It is not proper that an individual confrere make the presumption that the good has been purchased for his sole use. It is for the bursar to remind the confreres of this caveat to our vow of evangelical poverty. The competent authority can make exceptions to this norm, in dialogue with his council whenever possible.

Examples of this may include personal computers or other electronic devices, vehicles, etc.

Patrimony

[125] According to our Constitutions "we retain radical ownership of our patrimony." (C 88) See also Appendix C.

- [126] Constitution 89 states what "makes up" or constitutes our patrimony:
- What we own before taking vows,
 - "gifts between living members of one's family" up to the fourth degree
 - legacies or inheritances which are received after profession.
- [127] Relinquishing or ceding of the administration is obligatory; one is free to choose the administrator, who may be the local bursar, the Provincial or anyone else. Documents that verify the relinquishing or ceding of patrimony must be kept in the personnel folder at the Provincial Secretariat.
- [128] The attribution of the use and revenue accruing from the estate of patrimony is obligatory; one is free to choose the beneficiaries.
- [129] Acts of ceding and of attribution must be repeated every time other goods are added to what one already owns. No authorisation is needed.
- [130] Acts of ceding and of attribution can be modified for serious reasons, with the authorisation of the provincial. (C88.d) A note should be added to the documents already on file at the Provincial Secretariat.
- [131] Acts of ceding and of attribution become null and void when a religious leaves the Congregation.
- [132] It is strongly recommended that the holder of an estate of patrimony prepare an up-to-date inventory of this estate, together with the person who is the depository of the estate, to be kept under sealed cover in the holder's personal dossier in the Provincial Secretariat.
- [133] The interest from an estate of patrimony cannot be added to the capital without authorisation. (S 21)
- [134] The renunciation of patrimony requires the authorization of the Superior General with the consent of his Council. (C 90) There are certain conditions that govern this decision
- motivation: i.e., to live on Providence more completely
 - freely and knowingly
 - perpetually professed for 20 years
 - express and explicit request.
- The Superior General with his Council may delegate the provincial superior to authorise, with the consent of his council, a partial renunciation of one's estate. (S 22) These conditions will be laid down in the act of delegation
- In every case of renunciation, a licit and valid document is to be drawn up according to the requirements of the civil law of the country.
 - Two authenticated copies of the act are to be kept: one in the Provincial archives, and one in the personal file of the religious.
- [135] Concerning acts of Proprietorship and the estate of patrimony
- In all cases, authorization from the competent superior is required for an act of proprietorship (ownership of property or of a business). The provisions of the Constitutions (Cc 88-94) and of the statutes must be adhered to.

Will and Final Testament

[136] There is a strict obligation to make a last will and testament before perpetual vows if the professed has a personal estate, and that this be updated when he acquires patrimonial goods. (C 88) See also Appendix D.

[137] A will should normally contain an executorial declaration of the personal estate with the name of an Executor, freely chosen by the testator, either from within or outside of the Congregation. (CL 668 § 1) Periodic review of this needs to be done, especially in cases when the Executor predeceases the professed confrere.

[138] The validity of a will depends on its being in conformity with the civil law of the land.

[139] There can be no modification made in a valid will without the authorization of the Superior General, with the consent of his council, or an authorized delegate. (C 88)

[140] Any codicil that becomes necessary because of the acquisition of new property is not considered to be a modification of the will, and does not require authorization.

[141] Information regarding the trustee of the copy of the will is to be kept in a sealed envelope in the personal file of the testator in the Provincial Secretariat.

[142] In cases where a confrere has not already made a will at the time of perpetual profession, further study and investigation should be done to see that such a document is not needed under the civil law of the land. Such a document should declare that all of the confreres possessions are the property of the Congregation and be signed in his own hand.

[143] **Healthcare Considerations**

a. As a professed member of the Congregation of the Company of Mary each religious is bound to give a clear understanding of this relationship to his family, especially as it impacts local customs and traditions within families to healthcare (long-term and short-term) and end-of-life concerns or directives.

A will is one essential element of this discussion to help our families understand our primary relationship to the Congregation and their participation in questions and concerns of long-term care.

Local and state law must be respected for the care of each member of the Congregation. However, advance directives, healthcare proxies and decisions about the donation of organs and tissues have to be discussed (preferably while a confrere is capable of making such decisions with a clear mind and conscience). A copy is to be kept in the Provincial Secretariat and, when possible, given to the nearest relative of the confrere (or the one he considers competent to act on his behalf).

Following the norms or local law or state law these documents are legally binding, especially if they are notarised or filed with the Court.

b. Health insurance is strongly encouraged to be obtained for all confreres not previously insured or covered under state issued insurance plans. Thorough investigation in each country and a good study of available insurance plans is to be done before choosing. This is part of the ordinary expense of the entity, and can be reimbursed by the local community or the individual confrere (depending on the circumstances).

c. When a confrere does not have a will or final testament, it is incumbent upon the entity Superior to discuss with him what he wishes for his long-term care. This also includes a dialogue about what he wishes for his funeral and burial. If at all possible a copy should remain with the confrere, a copy held in his personal dossier and a copy passed to the family. The entity bursar can help in this dialogue. It is best that this document be notarized.

d. Each entity needs to have a clear and written policy for death and burial. This needs to be communicated to all the confreres who can share this with their families

or relatives.

e. Each entity also needs to have a common cemetery plot where the remains of our confreres can be laid to rest. The confrere is responsible to communicate with his family about his final wishes, when this is possible. When it is not possible, the document that has been recorded of his dialogue with the entity Superior can be used to help the family recognise what were his final wishes for the disposition of his remains.

This common cemetery plot must be maintained with dignity and respect. It is the responsibility of the entity bursar to ensure this is done.

Separation of a Member from the Institute (Cc 177-182)

[144] Separation entails the return of patrimonial estate if it is administered by the Congregation, together with the acts of cession of administration and attribution of the use and usufruct and documents relative to the testament that are held on deposit in the provincial secretariat.

[145] With due consideration for his personal and family circumstances, financial support is to be given to a Religious who leaves the Congregation, according to the discretion of the Provincial, with the consent of his Council. (C 182)

[146] A duplicate copy of the act of his 'exeat', signed by the Religious, is to be kept in his permanent personal file in the Provincial Archives.

Part VII -- Ultimate Responsibility for the Directory

[147] As it is presented, this Directory is a work instrument for Bursars. It will also be useful, according to the different levels involved, to those responsible for administrative bodies: the General Administration and all entities of the Congregation, and even to all local communities.

[148] It is for the Superior General, with his Council, to approve this Directory. It becomes an effective document for use throughout the Congregation on the date of approbation, unless specified differently by the Superior General.

Under his responsibility, it is to be reviewed periodically, in concert with the entity superiors, so that this work instrument may express the values to which the Congregation wishes to bear witness and to the aspect of evangelical poverty that is proper to this congregation in the service of its mission.

Appendix A -- Brief explanations of terminology

(A) Property

1) To speak of administration in the world of economics, necessarily supposes property, capital (furniture or real estate) which a person wants to keep, protect, improve and bear interest.

2) Administration of this property, this capital, entails and authorizes all those acts that contribute to this end: maintenance, protection, and improvement, making it bear fruit.

(B) Administrator

1) The administrator is the one who is charged with making the acts necessary or useful for achieving this (A.2)

- 2) In principle, within this role, his authority and the carrying out of his duties are only limited by the juridical restrictions imposed by the civil law of the country. He is never allowed, however, to act as a proprietor.
- 3) Acts affecting the property, breaking into the capital, saddling it with mortgages, etc. belong to the proprietor, and not to the Administrator

(C) Proprietary rights

A proprietor is an owner of a good or asset. Thus, to ensure that his "patrimony" remains intact, the proprietor as a rule foresees and lays down precise conditions and the limitations, affecting the one he has entrusted with the looking after and administering of his estate.

(D) Ecclesiastical Law

The general lines of Ecclesiastical Law (the code of canon law and ecclesiastical norms of an episcopal conference) lay down the norms governing and restricting the competency of Administrators,

It is left to particular law (Constitutions and Statutes of the Missionaries of the Company of Mary and the statutes of its entities) to draw up more precise conditions, as required.

(E) Consequently

- 1) Everything that belongs, 'per se', to the role of Administrator will be an act of ORDINARY administration if, in fact, certain juridical conditions or formulas are provided for the carrying out of that function.
- 2) Everything touching on property is an act of proprietorship and, necessarily, an act of EXTRAORDINARY administration, for which, 'per se', the administrator needs special "ad hoc" authorization.'

Appendix B -- Keeping of documents

General Principle

At each and every level of government, the bursar is responsible for the care, the keeping and the classifying of documents relating to the administration of temporal goods.

With reference to the congregation:

1. real estate documents must be kept indefinitely, taking into account the civil legislation of each country.
2. contracts of purchase, sale, the renting or cession (transfer) of property.
3. plans and estimates of all major constructions, modifications or renovations, together with the contracts and documents of the contractors.
4. valuations
5. bills of fixtures, taxes, real estate.
6. mortgage receipts.
7. documents dealing with the congregation's links with associations, societies, and public bodies.
8. account books
9. minutes and financial reports

According to the civil laws of the country and region within a country the following documents are to be retained:

1. individual files of members which refer to financial questions,
2. files concerning lay personnel employed and their work, social security, salaries, and taxes
3. bank statements, investment certificates, guarantees, insurance policies

The following documents are to be remitted to the General Bursar's office for maintenance and the reference use at the level of the General Curia:

- a) articles of incorporation
- b) copies of land title for all property held in the name of the Company
- c) appraisal of the value of this property (listing the original purchase price and the present fair market value)
- d) a regularly updated list of all investments held in the name of the Company (financial, real estate, etc.). This updated list can be submitted yearly with the annual financial reports.

Appendix C -- Patrimony

The Code of Canon Law [668 §1] and the Montfortian Today (C 88) prescribe the following:

Before their first profession, members are to cede the administration of their goods to whomsoever they wish and, unless the constitutions decide otherwise, they will freely dispose of the use and usufruct of these goods.

Before perpetual profession, they will make a last will and testament that is valid in civil law.

(A) Ceding of the administration

Before his profession, the novice must cede (hand-over; assign to another) to whom he wishes the administration of his estate.

(B) Disposition of the use and usufruct

1) General Law prescribes that the use and usufruct be given up.

- It is understood that the novice, without the authorization of the competent superior, cannot dispose of the use of his estate in his own favour (real estate, car, etc.).
- On the other hand, general law does not prohibit the novice from putting the income from his capital into his own account so that it may gradually increase in value.

2) The particular law of our Congregation demands the renunciation of such a "capitalization" (C88: the novice must make over the administration and the use of and the usufruct; S22-28)

(C) Will and Testament

1) General Law leaves one free to make a will either at the end of the novitiate or before perpetual profession.

- The particular law of the Congregation (C 88, c) only allows for one possibility: the will is to be drawn up "on the occasion of his final vows"
- This last will and testament will only be valid if it is valid before Civil Law. A will that is not valid in civil law has no value at all (C 668 §§ 1-4)

2) What must be included in a will?

- The clause "de bonis praesentibus vel forte obventuris" of the 1917 Code (569) no longer exists in the 1983 Code. The contents of the will apply to goods which are

actually possessed and not to future ones

- There are two kinds of goods in question:
 - those which the religious actually possesses when he makes his will;
 - those possessed as a "real right" e.g. an inheritance, and not simply some possibility in the future when he is making his will.
- By a will, the Religious will make over to whomsoever he chooses whatever he possesses in "fact" or "in law only".

3) If, because of circumstances, a validly drawn up will loses its value and becomes null and void, the religious must make another will. It would, then, be a question not of modifying, but of making a will.

NB: If a novice or a religious does not possess any estate, we cannot speak of ceding or of disposing or of a will. He will do these things should he subsequently receive a patrimony; at that time he must draw up a will. (C 88.c)

Appendix D -- Last Will and Testament

I, the undersigned _____
known in religious life (in the case of a Brother) as _____

_____ of the Congregation of the Missionaries of the Company of Mary (aka, Montfort Missionaries), living at _____

do hereby make and publish this, my LAST WILL AND TESTAMENT, hereby revoking all wills and codicils which I have heretofore made.

I give and bequeath all the property of every nature and kind that I possess and will possess at my death as follows: (*)

I give and bequeath to: _____ (Congregation or Province of _____) of the Missionaries of the Company of Mary/Montfort Missionaries:

- the money which may come to me or be due to me at my death as a result of my past and present activities under any title whatsoever
- as well as the benefit of life insurance (if this is applicable)

I hereby name, constitute, and appoint

_____ to be the sole executor of this will.

I hereby make and publish this, my Last Will and Testament, hereunto signing my name this _____ day of _____, in the year _____ in the presence of the undersigned witnesses who attest to the same at my request.

(Signature of the Testator)

Last Will and Testament:

Witness Signatures

Signature of 1st Witness _____
Printed Name _____
Address: _____

Signature of 2nd Witness _____
Printed Name _____
Address: _____

Prepared by:

Sworn Before Me:

Signed

Printed Name

Address

—

—

Note:

You can bequeath your patrimonial goods to whomever you wish, e.g. family, friends, Societies, Congregation, or Province
Copies are to be kept by the Religious, the Entity Superior and Local Superior and at least one family member.

Appendix E -- Alienation (cc 1290 - 1298)

There is alienation (the transfer of ownership) in the case of sale, donation or cessation of a real estate important enough to be considered as a constituent element of a Congregation's stable patrimony (buildings, property, grounds, cattle, harvests, consequent installations, financial assets, etc.). Generally, acts of alienation have as their purpose the termination of ownership.

- **Other sorts of alienation:** borrowing of money; granting a loan; incurring a debt; yielding under a mortgage or long lease an right or access to a good of the Congregation
- A **definite case of alienation** requires an explicit authorization from the Holy See: yielding votive offerings, art works, articles used for worship, etc. Such

artifacts have historical or artistic value and as such fall within the Holy See's protected domain.

- The **sale or realization of movable goods** (cars, stocks, books other than precious ones...) ordinary cash expenses or from a bank account are daily operations not falling under the definition of alienation proper. However, consultation and approval ought to be given by the competent authority in the entity.
- In the 1983 Code of Canon Law it is understood to be an act of alienation **when one public juridical person passes the ownership of property** or part of its patrimony to another ecclesiastical entity. For example, when one entity of the congregation passes to another entity the ownership of a parcel of land, it is an act of alienation (c 1291).

All questions concerning alienation, or the intention to enter into the sale of an asset of the Congregation, ought to be presented to the General Superior for his consideration.

Process of Alienation:

- Preliminary Observations
 - In accord with the Code of Canon Law 638 §3 and 1292, the Holy See determines for each Episcopal Conference a maximum amount limiting their competence to grant authorizations.
 - In any case, the opinion of the local ordinary and the authorization of the Superior General in Council are to be sought.
 - If the estimate of the good is above the competence of the Episcopal Conference of the country it is necessary to apply for an indult.

- Petition to the Vatican

Here is a list of the items necessary for requesting an indult from the Holy See:

- A letter to the Prefect of the Congregation (CICLSAL) from the Superior General (or the Procurator General) applying for the indult;
- Document that shows that the Superior General has received the consent of his Council;
- Letter of the local Ordinary expressing his opinion;
- Description of the alienation: master plan, street address, lot numbers, and any other relevant documentation;
- Two independent, external appraisal of the fair

market value of the property according to its classification (commercial, residential, convent, etc.);

- If available, the identity of the buyer or lessee and the amount agreed upon for the sale, which should not be less than the fair market value unless there is a good reason for this. If so, explain the reason.
- Other information
 - Address the application for the indult to the (Cardinal) Prefect at the Congregation for Institutes of Consecrated Life (CICLSAL)
 - If there is an urgent need for an answer, it should be written in the letter of the Superior General. Give the date you need the indult. In such case, the indult can be sent via fax.
 - The charge is usually 0.1% of the sale price.

Appendix F -- Online Access to the Request forms

Access the Request for Funds application through the Montfort website:

Follow these steps:

i. www.montfort.org

ii. Intranet

iii. Username: membersmm

iiii. Password: mervent1715

v. Please complete the form as completely as possible, especially the address and identification of the bank and the account name and number.

1.

Glossary

* For translation purposes and to facilitate the use of this directory, there follows a few definitions of the current terminology (in French, with the English equivalent)

* To avoid repetition, the term “subject” is used to describe the levels of authority involved in the various transactions, without specifying their proper competence.

ACCOUNTABILITY / la responsabilisation

The obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property.

ACHAT / purchase

Act by which the subject takes possession of an estate, a service for cash
on credit

ACQUISITION / acquisition

Act of becoming the proprietor of an estate, services, rights.
subject to payment = expenses, loans
gratis = gift, legacy

ACTIF / assets

Total assets may be divided into:
fixed assets = realestate (land, buildings) and furniture: which cannot easily be converted into cash.
current assets = investments cash in hand or in the bank, credit given

ACTION / Share

Title by which the subject becomes a member by right of a society: he owns a part of the capital of this society. The title produces dividends or not, depending on the value of the title

AMORTIZATION (redemption) / Amortissement

- Redeeming a debt over time until it has been completely repaid.
- This is expressed either by repaying the total amount or by repaying by instalments (equal or not)

ANNUITE / annuity

Annual amount of repayment of a debt.

AVOIR NET / profit or loss

The positive difference between assets and liabilities. When the difference between these is negative this is reported as a net deficit.

ASSURANCE / Insurance (Assurance)

Right to protection and taking over of damages to property or persons = prevention

BILAN / Balance sheet

- Periodic inventory of what the subject owns = CREDIT
and what he owes = DEBIT.
 - In the CREDIT column: value of buildings, equipment, investments, debts owed and bank accounts
 - In the DEBIT column: capital, profit or loss, the sum total of debts.
- In a balance sheet: ASSETS LIABILITIES = 0 (zero)

BILAN CONSOLIDÉ/Consolidated balancesheet

- The proceeds of the balance sheet applied to a group of subjects: the particular data of each subject: its assets, its liabilities.
- The details of its sources of income and expenses, added together in one grand total, describe the economic state of health of the group.
- The sum total of revenue, of expenses, assets and liabilities, provide a NET CREDIT or a NET DEFICIT for the group

BUDGET / Budget

An act of administration which shows what has been decided in advance. It imposes limits and is to be adhered to during the period for which it was drawn up.

CAPACITÉ D'EMPRUNT/Ability to contract a debt

- Ability to borrow, taking into account the financial setup (structure) of the subject.
- To be considered:
 - (capitaux propres) own resources
 - (capitaux permanents) working capital
 - these will indicate the borrowing capacity: what you borrow must not have a greater value than half of what you own.

CAPACITÉ DE REMBOURSEMENT / Redemption of a debt

- a) Ability to meet deficits in debts which have been contracted
- b) To be considered:
 - a. (sources d'autofinancement) selffinancing sources
 - b. (endettement à moyen et long terme) running into debt, medium and long term advances is the measure of the ability of the subject to repay debts

CAPACITÉ FINANCIERE / financial capacity (Spending limit)

- a) The limit in spending to which a subject is authorized to go:
- b) either for a given period (budget)
- c) or for a particular transaction (loan, alienation).

CAPITAL / Capital

Available money that is capable of producing an increase in revenue.

CAPITALISATION / Capitalization:

- Realising the present value of an asset
- Transaction that combines both saving and taking risks according to the value of the shares at a given time.
- It is efficacious when the market is stable.
- Not so during a period in which there is depreciation of currency.

CAPITAUX PERMANENTS / Working capital

- Funds at the subject's disposal for a stable period.
- These are: actual capital, revenues and long term loans.

COMPTES / Accounts

- Framework of clearly defined bookkeeping (assets and liabilities) for a definite period.

CAPITAUX MOBILIERS / Stock, shares, securities

- These are available monetary funds: shares, bonds, mortgages.

COMPTE BANCAIRE / Bank account (Credit balance in bank)

- Funds deposited in a bank.

CONJONCTURE / Economic conditions

The sum total of factors in an economic sector, in a country, in a continent capable of influencing the economic situation of the subject at a given time and which can influence his financial estimates and transactions in the more or less long term

CONVERTIBILITÉ / Exchange

Possibility of changing from one currency to another.

DEFICIT / deficit

Balance showing the subject's shortage of funds during a financial year

DEFICIT NET / Debit balance

A balancesheet term: the deficit is higher than the profit.

DETTES / debts

Liabilities or debts to a third person.

DEVISE / Currency

One currency in comparison with another (convertibility).

DECHARGE / Discharge

A reciprocal official act which discharges one from any commitment.

EMPRUNT / Loan

Contract by which a subject obtains temporarily the use of a sum of money belonging to a third person.

EN CAISSE / Cash in hand

Liquid assets ready to be used for current transactions

EVALUATION DES TACHES / Job evaluation

Technical analysis of the work from the point of view of the amount of work entailed.

EXERCICE FINANCIER / Budgetary year

Period of time fixed for the overall total of financial transactions (budget). This term implies:
budget for the period
results i.e., receipts and expenses for the period

IMMOBILISATIONS / Fixed assets (real estate)

The sum total of goods used continuously by the subject: the term implies land, buildings, personal estate, equipment, which are entered under ASSETS.

INVESTISSEMENTS / Investments

Transactions of capital (liabilities, shares, capital expenditure) in order to obtain titles with a view to a revenue.

LIQUIDITES / Liquid assets (or Liquidities)

Capacity to honour quickly a financial obligation.

OBLIGATIONS / Bonds

Commitment of capital in a public loan (society, government) for a specific amount and time. They produce interest.

OUVERTURE DE CREDI / Credit line (or Opening of a line of credit)

Procedure between a banking company and a stockbroker: the bank undertakes, under specific conditions, to place a specific sum of money at a client's disposal.

PAIR (PARITE) / Exchange parities

Term refers to the exchange rate

PLACEMENTS / Capital investment

Strictly speaking, this is a monetary transaction for making a profit. It is different from the term "Investment".

PORTEFEUILLE / Portfolio

An accounting and management word for financial transactions carried out with a view to realizing a regular income or a capital gain

PROCURATION / Powers of attorney (Procuration)

Mandate giving the power to act validly in another's name.

PRET / Loan

Contractual commitment whereby the subject hands over to a third person the use of a sum of money on specific conditions and for a specified time.

PROVISIONS / Reserve fund

Sum of money intended to cover certain costs or eventual losses. It is entered under liabilities in the balancesheet.

QUITTANCE / Receipt in full (discharge)

Written certificate by which a creditor gives a debtor a discharge from a debt or an acknowledgement that the debt no longer exists.

RESERVE / Contingency or reserve fund

- Sum total of funds or valuables put aside by the subject in anticipation of eventual need:
 - act of administrative foresight
 - without any allotment of money for a precise purpose. = it is different from "provision".
- It is entered in liabilities in the balance sheet.

RESSOURCES / Resources

Estate and capital at the subject's disposal.

REVENUS / Income

What is seen as a return of capital or remuneration for work.

SOLVABILITE / Solvency

capability of the subject to honour his commitments, based on the assets in his balance sheet

TAUX DE CHANGE / Exchange rate

Relation between the monetary unit of one currency and the number of monetary units of another currency against which it can be exchanged.