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**THE FINANCIAL MANAGEMENT OF ROMAN CATHOLIC RELIGIOUS
CONGREGATIONS IN CANADA**

Indiana University

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THE FINANCIAL MANAGEMENT OF ROMAN CATHOLIC
RELIGIOUS CONGREGATIONS IN CANADA

BY

PAULINE LANDRY, N.D.S.C.

Submitted to the faculty of the Graduate School
in partial fulfillment of the requirements for
the degree Doctor of Philosophy in the
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and Business Education
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Accepted by the Faculty of the Graduate School, Indiana University,
in partial fulfillment of the requirements for Doctor of Philosophy
degree.

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September 16, 1982

DEDICATION

To the Members of my Religious Congregation
LES RELIGIEUSES DE NOTRE-DAME DU SACRE-COEUR

Addisco Ut Serviam

ACKNOWLEDGEMENTS

Several individuals contributed to the successful completion of the present study.

Special thanks to Dr. Leon Hay, former chairman of the Accounting Department at the Indiana University School of Business, whose inspiration and encouragement provided the initial planning and launching of the study. Sister Mary Gerald, C.S.C., was most helpful during the initial stages of the research; her wisdom, her accounting and financial expertise and her deep sense of community life were generously shared with the writer.

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S.P.L.

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CHAPTER I

THE PROBLEM

Introduction

Acceptable and proper financial reporting are critical for the success of any organization. As such, organizations, whether they be profit-seeking or non-profit, are required to comply with specified rules and procedures.

Although the Roman Catholic Church (as well as other Canadian Churches) is similar in several respects to other Canadian non-profit organizations, there are important dimensions which differentiate her substantially from other non-profit groups. The fundamental divergence stems from the dual legal structure upon which the Roman Catholic Church rests: the Canonical (internal) laws, and the civil (external) laws.

The religious institutes or congregations comprise one of the most important components of the Roman Catholic Church. As such, the religious congregation must comply with the internal ecclesial legislation as it is defined in the Codes of Canon Law.

Religious institutes are governed by the Canon Law of the Roman Catholic Church. Subsequent to Council Vatican II, the Roman Catholic Church set out to revise the existing code

of Canon Law. These laws and directives constituted the framework of religious institutes' revisions of their own particular laws, but nonetheless, left to institutes a wide margin for individual initiative within this framework. The document which the Vatican II fathers offered to religious institutes is called "Perfectae Caritatis;" it provides broad guidelines and general direction to the spiritual dimension of religious life in the Church.

The Vatican II "Perfectae Caritatis" (hereafter referred to as P.C.), addresses itself to renewal of the religious life. In the chapter which deals more specifically on poverty, the following directive is given:

Religious poverty requires more than limiting the use of possessions to the consent of superiors; members of a community ought to be poor in both fact and spirit, and have their treasures in heaven.

In discharging his duty, each religious should regard himself as subject to the common law of labor. While making necessary provisions for their livelihood and undertakings religious should brush aside all undue concern and entrust themselves to the providence of the heavenly Father. (Cf. Mt. 6:25).¹

Such is the spirit which must be the guiding force behind all questions of financial concerns as far as individual members are concerned.

The general (provincial) treasurer of a religious institute carries the responsibility for the financial management of all temporal goods in an institute.

¹Abbott, The Documents of Vatican II, p. 477.

As for the treasurers, the codes of Canon Law regulate the direction which their administration must take. The religious institute as a juridic person within the Church, may possess goods in view of its objectives and purposes in the Church.

Although each religious congregation is a component of the overall ecclesiastical structure, it is also recognized as an entity; as such, it is entitled to all benefits and rights granted to other corporate and legal bodies within their respective societies or cultures. It must also respect all legislation, comply to all regulations and assume all responsibilities inherent to that status. Therefore, it must comply with the civil or external laws which are applicable in their respective geographical locations.

As a result, the administration of goods, financial management and reporting standards in religious congregations must encompass two dimensions: that of the external or civil requirements and that of the ecclesiastical requirements.

Statement and Explanation of Problem

Statement. The problem is to identify uniform accounting and financial reporting procedures compatible with the needs and requirements of Roman Catholic Religious Congregations in Canada.

Explanation of Problem. Accounting systems must be rooted in sound accounting theory which provides the conceptual frame of reference for accounting practice and procedures. Accounting theory provides a coherent set of logical principles which constitute the fundamental frame of reference for the evaluation and development of sound accounting practice, thus assuring a certain uniformity in the independent auditor's function of measurement and communication of accounting activity.

Since the onset of the present decade, there has been a growing interest and concern with respect to accounting theory and principles relating to non-profit organizations. Roman Catholic religious congregations are considered as non-profit organizations. However, the direction of their financial management, the purpose of their financial records and information differs considerably from that of other non-profit organizations. Non-profit philanthropic organizations are usually funded through voluntary donations provided for specific purposes; their treasurers are accountable to the donors. In contrast, the primary purpose of the religious community is to provide for its members a structured lifestyle conducive to the fulfillment of their consecration. The religious treasurers are stewards of internally-generated funds. Financial management of religious congregations in the Roman Catholic Church must be exercised within the confines of the Codes of Canon Law. Because of the unique

orientation of their activities, religious congregations differ in their purpose and use of economic information.

The enactment of Bill C-22 (February, 1977) has had considerable repercussion on Canadian religious congregations: all registered charitable organizations must henceforth submit to public disclosure of financial status and activities if they are to maintain tax-exempt status. The necessity for a certain uniformity and conformity with generally accepted accounting principles now becomes more immediate.

There is presently a lack of uniform accounting principles and financial reporting guidelines applicable specifically to Roman Catholic religious congregations in Canada. This lack of uniformity renders more difficult the tasks of the religious treasurers to whom the responsibility of stewardship has been entrusted.

Questions Pertaining to the Problem. The questions on which the present study will focus are the following:

- a. Is there similarity between the existing procedures being followed for recording and reporting financial information in Canadian Roman Catholic religious congregations, and the financial reporting procedures as outlined in the Canadian Institute of Chartered Accountants' research report entitled "Financial Reporting for Non-profit Organizations?"

b. Are the principles and guidelines as presented in the Canadian Institute of Chartered Accountants' Study named in question a, applicable to the financial reporting needs of Roman Catholic religious congregations in Canada?

. Do they comprehensively cover the specific requirements set forth by the Roman Catholic Canon Law for all religious congregations?

. Do they provide for the distinct elements of variance between the ordinary non-profit organizations and the religious congregations, as outlined in the preceding paragraphs?

. Do they provide for the requirements set forth by Revenue Canada Taxation with respect to all charitable organizations in Canada?

Elements of the Problem

The main bodies of evidence required to deal with the problem as outlined are the following:

1. The existing procedures with respect to financial management, accounting and reporting as employed currently by religious congregations in Canada.

2. The standards and procedures of financial reporting for non-profit organizations as outlined in the CICA's research report on "Financial Reporting for Non-Profit Organizations."

3. The legislation with respect to the administration

of goods in religious institutes, as outlined in the revised Roman Catholic Canon Law.

Delimitations

The parameters of the present study have been designed so as to preclude certain elements which may well be considered inherent to the overall topic. These elements constitute the delimitations of the study, and are identified as follows:

1. The theological and spiritual dimensions of poverty are not taken into consideration. In all financial matters and activities, religious treasurers are ideally governed by the spirit of poverty as set forth in their respective constitutions; the present study deals exclusively with accounting procedures and management principles.

2. With respect to the nature of the data which are being gathered, it is considered preferable to avoid questions that may appear to reflect a purpose of legalistic investigation or disciplinary chastisement. For example, direct questions pertaining to the application of specific regulations or requirements are deliberately being avoided. The emphasis of the questions focus primarily on procedure and policy.

3. The scope of the problem is limited to the acts of ordinary administration for which the treasurers may be responsible; that is, those activities which constitute the ordinary, regular occurrences in which finances are involved.

The acts of extraordinary administration, such as the alienation of goods and questions pertaining to the patrimony of religious, are being omitted. Financial transactions which deal with the alienation of property or acts which have a quantitative effect on patrimony have deliberately been avoided in the field study instrument, since this type of activity is a relatively rare occurrence, or what is known as an "extraordinary act." It is not considered to constitute a major factor in a study which deals mainly with accounting procedures and financial reporting.

4. Since the final revision of the Code of Canon Law has not been promulgated, the information pertaining to that aspect of the study will be derived from the proposed canons which have been made available through the various pontifical commissions and task forces, and which are considered as having been approved.

5. There is a minor delimitation as to the source of the data. The population which has been selected included those religious congregations which bear current membership in the Canadian Religious Conference. These do not include the secular institutes and a certain number of religious congregations whose representation is very minimal in Canada. The monastic and contemplative orders are not included in totality.

Definitions

The definitions of a number of terms used in this and subsequent chapters are believed necessary for a clear understanding of the problem, the findings and the analyses. Therefore, in order to provide for uniform interpretation of the material contained in the present study, selected terms are defined below. The following list appears in alphabetical order.

Canon Law

The norms or rules that are applied to govern the Church as a temporal institution ... Specific instructions for the government of the Church, for the proper administration of the sacraments and for teaching and preaching are provided in Canon Law.¹

Chapter, general

A canonical assembly of provincials and other delegated members of a religious order or congregation who meet at regular intervals to discuss and legislate on matters of general importance to the institute and of specific concern to the individual members. The business of amending the constitution and electing officers is also a part of the chapter. Aside from the pope, the general chapter represents the highest authority for religious in their respective communities.²

¹Meagher, P.K.; O'Brien, J.C.; Aherne, C.M. (Sister), editors, Encyclopedic Dictionary of Religion, vol. 1, pp. 612-613.

Chapter, provincial

A conference of superiors and other members delegated to represent the religious in a certain territory or province. They assemble to discuss, improve, or change the rules pertaining to their local province, and to elect provincial officials.³

Community, local

The term local community will be used to designate the sub-set of the congregation, or the local group living under one roof.

Constitutions, religious

The body of regulations for a particular religious or monastic institute which concretely applies to general provisions of a religious rule if the institute possesses one, or establishes the institute's religious principles and particular applications if the group does not possess a rule. ... Vatican II has called for a return to earlier forms in demanding that the revised constitutions include the evangelical and theological principles of the religious life as well as the necessary juridical forms.⁴

General (of an order)

The name ordinarily given the head of a religious order or congregation. The term is usually combined with another noun--superior general, master general, prior general, minister general, or abbot general. The general is normally elected by the general chapter for a term of three to six years.⁵

²Ibid., p. 709.

³Ibid., p. 710.

⁴Ibid., p. 898.

⁵Ibid., p. 1460.

Non-profit organization:

An organization formed for social, educational or philanthropic purposes in which there is normally no transferable ownership interest and from which the members or contributors do not receive any economic gain.⁶

Nota Bene: It should be noted that the spelling of this term is found in two formats: all American writers and AICPA documents spell it as "nonprofit"; whereas Canadian official documents present it as "non-profit." In the present study, the "nonprofit" spelling will be respected in all references which can be identified with American writers. In all other usage, i.e., for Canadian references, and general usage, the spelling "non-profit" will be employed.

Poverty, Vow of

By virtue of the vow of poverty, all religious remain proprietors of their goods and maintain the possibility of acquiring others; they surrender the right to administer and to use, according to their own will, any property to which they may be entitled.

Province, religious

A juridic and usually geographical division of a religious institute formed by grouping or uniting a number of religious houses under one major superior, the provincial. Provinces are generally established when the institute grows and spreads too much to be governed by one general superior; regional administration and government are in the hands of provincials.

⁶Canadian Institute of Chartered Accountants, Terminology for Accountants, p. 60.

Pontifically approved religious institutes obtain the right to divide into provinces through the Holy See.⁷

Provincial, in a religious institute

The major superior over a region or province. ... The provincial must ... exercise a supervisory care over the économe's administration of finance.

Religious institutes - Congregations

Associations approved by the legitimate ecclesiastical authority whose members, living in common profess to observe the evangelical counsels by making, according to the appropriate laws of their institute, the public vows, perpetual or temporary (renewable upon expiry) or the temporary promises (renewable also) of poverty, chastity and obedience. ... Most of the present institutes are, in fact, congregations.

Nota Bene: For purposes of clarity, the term institute will be used throughout the following chapters to identify or designate the overall organization which encompasses the entire membership.

In order to clarify the nature of the relationships which exist among the three levels of administration within religious institutes, the following figure is presented.

⁷ Ibid., p. 2915.

⁸ Ibid., p. 2917.

⁹ Theriault, Michel, The Institutes of Consecrated Life in Canada, pp. 24, 26.

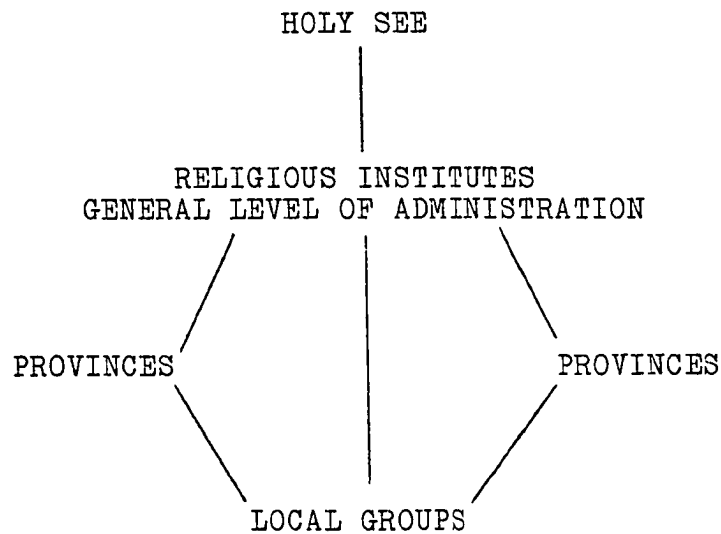


Figure 1. Levels of Administration in Religious Institutes

Purposes of the Study

The primary purpose of the study is to provide for religious congregations in Canada, uniform financial reporting procedures and guidelines which will encompass and take into consideration the unique needs, purposes and situations of Canadian Roman Catholic religious congregations.

The secondary purpose is to make available to religious treasurers information pertaining to the financial management and financial reporting procedures as they are being practiced by their Canadian counterparts. The descriptive data will yield a profile of the financial accounting systems presently in use by R.C. religious congregations in Canada.

The tertiary purpose is to contribute an addition to the

body of knowledge that is now available in Canada with respect to non-profit financial accounting and procedures. The study which was completed by the Canadian Institute of Chartered Accountants provides accounting principles and financial reporting practices which are appropriate for all non-profit organizations. The present study will focus more specifically on accounting problems and principles unique to Roman Catholic religious congregations in Canada.

Limitations of the Study

One limitation may be readily identified with respect to this study; it is inherent to the data.

Due to the bilingual character of the population being surveyed, it was essential to provide copies of the survey instrument in both of Canada's official languages, French and English. The translation of a text into another language creates the possibility of altering the original meaning, thus resulting in slight variances in interpretation. This difficulty is unavoidable, in spite of all possible efforts to keep nuances at the strictest minimum.

CHAPTER II

REVIEW OF RELATED LITERATURE

For purposes of clarity, and in order to provide adequate coverage of the topic, the review of literature is being presented from three points of interest: (a) the contributions made by the accounting professionals to the general area of non-profit accounting; (b) the concerns for financial management in religious congregations; (c) the manuals of policy and procedure prepared by selected religious groups. In view of the vast amount of available literature which is germane to the various aspects of this topic, it was necessary to employ this structure.

The Accounting Professionals

The general topic of accounting for non-profit organizations has been the object of a great deal of attention on the part of professional writers during the past decade. Several areas of interest have been studied, ranging from the general concepts of non-profit financial accounting,¹ to more

¹Henke, E. O., Introduction to Nonprofit Organization Accounting, 500 pp.; Gross, M. J., Financial and Accounting Guide for Nonprofit Organizations, 572 pp.

specialized and specific topics such as budgeting,² and internal control.³ However, prior to 1977, financial reporting for non-profit organizations lacked centralized guidance.⁴ The recommendations which had been emanating from the professional associations were intended mainly for the profit-oriented enterprises. Consequently, the accounting principles applicable to non-profit organizations' financial reports were not uniform, the degrees of disclosure varied, comparisons between similar organizations were frequently meaningless and inevitable confusion resulted.⁵

In 1973, the Filer Commission was mandated by U.S. Congress to study public philanthropy in the U.S. With respect to this commission, Weinstein writes:

One of the most significant findings was that accounting methods employed by nonprofit organizations were not codified, were outdated, and could result in abuses of financial disclosure."⁶

²Trubac, E. R., "Preliminary Steps in Financial Planning for Religious Communities," Hospital Progress, 56:41-43, 50, November, 1975; Guntley, G. G., "You Can't Have a Good Budget Without A Budgeting Philosophy," Hospital Financial Management, 4:30-34, October, 1974.

³Georgen, W. D., "Rating Internal Controls," Financial Executive, 43:42-46, 48, 50, April, 1975; Ellis, L. O., "Internal Control for Churches and Community Organizations," CPA Journal, 44:45-48, May, 1974.

⁴Onions, M., "Education for Students: Accounting for Non-Profit Organizations," Chartered Accountants Magazine, 112:89:94, August, 1979.

⁵Caplan, K. J., "Accounting for Non-Profit Organizations," Chartered Accountants Magazine, 111:95-96, April, 1978.

⁶Weinstein, E. A., "Forging Nonprofit Accounting Principles," The Accounting Review, 53:1005, October, 1978.

The results of this study led the American Institute of Certified Public Accountants (AICPA) to establish the Non-profit Organizations Subcommittee of the Accounting Standards Executive Committee, from which came the "Disclosure Draft for A Tentative Set of Accounting Principles and Reporting Practices for Nonprofit Organizations Not Covered by Existing AICPA Industry Audit Guides" in 1977,⁷ and its subsequent Exposure Draft and Statement of Position of the Financial Accounting Standards Board (FASB) containing revisions of the original draft.⁸ These two publications created a great amount of interest, particularly within the accounting profession, since they constituted a major break-through in the study on non-profit organizations accounting features; in addition, they commanded the credibility and respect which is attributed to the Accounting Standards subcommittees of the AICPA. Basically, the efforts of the subcommittee focused on accounting principles and reporting practices which can be applicable to all non-profit organizations. Although the subcommittee did not prescribe a single format for the

⁷American Institute of Certified Public Accountants, Accounting Standards Subcommittee on Nonprofit Organizations, A Tentative Set of Accounting Principles and Reporting Practices for Nonprofit Organizations Not Covered by Existing AICPA Industry Audit Guides, Discussion Draft, (hereafter referred to as Tentative Set ...), 28 pp.

⁸American Institute of Certified Public Accountants, Accounting Standards Subcommittee on Nonprofit Organizations, Exposure Draft Proposed Statement of Position on Accounting Principles and Reporting Practices for Nonprofit Organizations Not Covered by Existing AICPA Audit Guides.

presentation of financial reports by non-profit organizations, they did ascertain that certain basic data were compulsory for all such reporting:

The Subcommittee concluded that there are a number of acceptable, albeit different, formats for presenting the required financial information and that no single format should be prescribed ... However, regardless of the format used for them, certain financial statements and certain⁹ disclosures are required for a fair presentation.

Concurrent to the AICPA's research efforts in the area of non-profit organizations' accounting, major textbooks began to appear. Gross and Warshauer released the third edition of Financial and Accounting Guide for Nonprofit Organizations as a sequel to Gross' previous two editions of the same work. In addition to presenting accounting and reporting procedures for nonprofit organizations, Gross and Warshauer discuss future trends in non-profit accounting:

Perhaps the most significant reporting trend is toward reporting on the organization as a whole, and away from reporting on the individual funds of the organization. ... Another similar in¹⁰ appearance to reporting by profit-oriented entities.

The two authors, who are partners with Price Waterhouse and Company, further state that:

⁹American Institute of Certified Public Accountants, Accounting Standards Subcommittee on Nonprofit Organizations, Tentative Set, ... op. cit., p. 7.

¹⁰Gross, M. J., and Warshauer, W., Jr., Financial and Accounting Guide for Nonprofit Organizations, pp. 308-309.

... We will see a gradual reconciliation of existing accounting pronouncements and the evolution of a single set of basic underlying accounting principles and reporting practices for all nonprofit organizations ... it can reasonably be expected that there will continue to be many different reporting formats. But there will be greater uniformity in the basic information disclosed in the statements.¹

Emerson Henke provided accounting procedures for nonprofit organizations, adding strong emphasis to operational-accountability reporting. In his support for this approach to financial reporting, Henke defines and explains operational accountability as follows:

... Disclosure of operating data showing the extent to which an organization has succeeded in efficiently and effectively meeting its operating objectives. Pure profit enterprises operate primarily to realize profits. Therefore, their operating statements are organized to match revenues against the costs of realizing those revenues to arrive at net income. Pure nonprofit organizations operate to render socially desirable services. Logically, then, operational-accountability financial statements for those enterprises should disclose the extent to which the rendering of services objective has been met. Ideally, this would call for their operating reports to be organized to match the imputed values of services rendered against the cost of rendering those services ... by showing how efficiently and effectively the service objective has been met ... disclose ... operating data regarding the 'service story' of the enterprise. The reporting arrangement of the nonprofit organization would provide for the organization as an entity, as one operating unit.²

The preceding quotation purports to describe Henke's rather novel approach to non-profit accounting, since it constituted

¹Ibid., p. 310.

²Henke, op. cit., p. 475.

a valuable contribution to the subject.

In his series of three textbooks, Ray Powell's contribution to the field of non-profit accounting and management is unique in that it is directed to institutional organizations. Powell writes for the "administrators of those organizations that sponsor, operate and support ..." ¹³ the institutions. In discussing the "sponsored institution," Powell uses a model which is sponsored by a community of religious women.

It is necessary to view the sponsored institution, (the school, the orphanage, the hospital) as an accounting entity separate and apart from its sponsor (Kiwanis International, the Salvation Army, the sisters of a women's religious order), since a decision affecting the former may have no impact, or only a selected impact, on the latter. Revenues and expenses must be traced accurately to each as a separate entity in order that one of the basic rules of financial decision-making can be fulfilled: Only those revenues and expenditures which will change with a specified decision are relevant to that decision. ¹⁴

Powell strongly emphasizes the necessity for the institutional employers to charge or record the full salary or wage amount for every contributor who is providing service but is not being paid at the going rate, the corresponding credit being charged to non-operational revenue.

Powell's publication on budgetary control ¹⁵ provides unique consideration for the dimension of the budget process

¹³Powell, R. M., Accounting Procedures for Institutions, p. xviii.

¹⁴Ibid., p. 3.

¹⁵Powell, R. M., Budgetary Control Procedures for Institutions, 340 pp.

in a community. Appendix B, which is authored by Sister Mary Gerald,¹⁶ describes the budget process in light of the gospel values:

The budget process, whether organizational, communal, or personal, calls for deep reflection on the purpose of our lives and our service. It can be a powerful means of extending the Kingdom of God on earth by helping us live, teach and make manifest the values of the gospel.¹⁷

Powell suggests that consolidated financial reports be prepared for all community-owned institutions. Thus, all institutions owned by one religious community should adopt uniform charts of accounts and standards of reporting.¹⁸

Concurrent to the American Accounting profession's endeavors, during the latter part of 1976, the Canadian Institute of Chartered Accountants' (CICA) Research Department established a study group on "Accounting for Non-profit Organizations." One of the terms of reference (point 4) which were spelled out for this study group reads as follows:

¹⁶Sister Mary Gerald, C.S.C., for 24 years general accountant and general treasurer of the Sisters of Holy Cross, served as hospital administrator and field consultant for the Catholic Hospital Association. A Fellow and former national president of the Hospital Financial Management Association, Sister Mary Gerald is currently serving as a full-time staff consultant with Stewardship Services Incorporated, Washington, D.C..

¹⁷Powell, R. M., Budgetary Control Procedures for Institutions, p. 71.

¹⁸Powell, R. M., Managerial Procedures for Institutions, pp. 291, 302.

To propose a uniform set of accounting principles and reporting practices appropriate for all non-profit organizations and to identify any special accounting problems and principles unique to particular types of non-profit organizations.

The final report of the research group was published in August of 1980 by the CICA under the title of Financial Reporting for Non-Profit Organizations. Henceforth, Canadian non-profit organizations will have access to uniform accounting principles and financial reporting guidelines which can be readily applied to their specific purposes. Moreover, the study is consistent with the articles of the new Canada Non-Profit Corporations Act, which was re-introduced in the Canadian House of Commons as Bill C-10 in April, 1980 and now stands before Parliament. The publication released by the CICA therefore represents an official and completely authentic Canadian outlook on non-profit organizations' financial reporting in that country. In its general conclusions of the initial draft, the study group indicated that:

Financial statements prepared by non-profit organizations should not differ significantly from those prepared in the profit-oriented environment ... The emphasis in reporting by non-profit organizations should be on adequate disclosure, as long as the accounting principles are appropriate and clearly explained.²⁰

²¹Canadian Institute of Chartered Accountants, Accounting for Non-Profit Organizations, Discussion Draft, p. 1.

²⁰Ibid., p. 8.

The final report places emphasis on the users and objectives of financial statements published by non-profit organizations, by identifying seven groups of users of financial information, and describes each group's respective need for information.²¹ With respect to the preparation of financial statements, the study group reports that:

The range of activities of non-profit organizations and the variety of their structures make it impossible to seek to prescribe rules for the way information should be presented within each financial statement. However, generally applicable guidelines for the content of each financial statement, and the way the information should be presented, can be established.²²

Further discussion of this major Canadian study is curtailed, since it constitutes one of the main bodies of evidence for the discussion which will follow.

Concerns for Financial Management in Religious Congregations

Literature more directly concerned with financial matters in Church or religious congregations reveals a growing interest in matters of administrative and financial activities. This interest was particularly manifest during the decade which immediately followed Vatican Council II. Several elements contributed to the increased interest in

²¹Canadian Institute of Chartered Accountants, Financial Reporting for Non-Profit Organizations, A Research Study, p. 27.

²²Ibid., pp. 13-21.

improved methods of financial management and control:

1. Congregations were responding to the Council's requirements for revisions of all constitutions;²³

2. Lifestyles of religious communities were changing.

3. A very large number of religious were leaving the orders and returning to secular environment, thus reducing the earning power and the regular revenues of the overall congregations.²⁴

4. In Canada, the Revenue Canada, Taxation Department revisions of the Income Tax Act with respect to charitable organizations were requiring compulsory public disclosure of financial statements from all exempt charitable organizations.²⁵ For all of these reasons, accountability became more crucial in religious congregations; the need for expertise in administrative matters surfaced and became very prevalent during that period.

As early as 1965, Wright's study recommended that:

More studies be made and published concerning the financial administration of religious institutions, particularly studies which would make available to religious communities a system of uniform procedures in the conduct of the internal financial affairs of the institute which could be easily geared to the requirements of small communities.²⁶

²³Abbott, W. M., (S.J.); and Gallagher, Joseph, The Documents of Vatican II, pp. 466-485.

²⁴McConnell, J. D., "Good Stewardship is Management and Planning," Review for Religious, 29:646, September, 1970.

²⁵House of Commons, Income Tax Act.

²⁶Wright, Judith (Sister), O.P., A Manual of Business

Wright further defined the primary purpose of her study as follows:

... to prepare a manual of business practices and procedures appropriate to the operations of the Motherhouse and subordinate houses of the St. Cecilia Congregation ... to design uniform accounting procedures for the St. Cecilia congregation which would encompass ... the requirements of accuracy, uniformity, consistency and standardization.²⁷

During the early 1970's, the prevailing concern in religious congregations across the world was renewal, and during this time numerous writers became concerned with various aspects of the financial and management functions in religious congregations.

Overman and Von Der Embse wrote on managerial control in religious congregations as follows: "Wise implementation of the managerial control system is the thread leading religious institutes through the labyrinth of renewal."²⁸ Trubac made significant contributions to the various aspects and to the importance of planning for religious congregations. He focused on the annual budget process,²⁹ on long-range

Practices and Procedures Appropriate to the Operations of the Motherhouse and Subordinate House of a Dominican Congregation in Nashville, Tennessee, p. 176.

²⁷Wright, Judith (Sister), O.P., op. cit. p. 5.

²⁸Overman, Conleth, C.P. and Von Der Embse, T. J., "Managerial Control in Religious Institutes," Sisters Today, 41:297, January, 1970.

²⁹Trubac, E. R., "Implementing Financial Plans Compatible with Community Goals," Review for Religious, 34:748-756, September, 1975.

financial planning,³⁰ and on the designing and financial aspects of retirement plans for religious.³¹ Trubac's main emphasis centres on the importance of applying business-oriented techniques in the setting of apostolate goals,³² and on the evaluation of apostolates:

... it's obvious the pressures on religious communities to improve the procedures which they use to evaluate the effectiveness of their apostolates will continue to intensify, as resources will continue to be scarce relative to the demands placed on them.³³

During this same period, budgeting was introduced in congregations on a much broader scale. Individual members were required to submit personal budget. This was a very innovative break-through for the great majority of religious. Baumann writes:

³⁰Trubac, E. R., "Long-Range Financial Planning: A Must for Religious Communities," Hospital Progress, 50:72, 74, 80, 82, December, 1969.

³¹Trubac, E. R., "Designing a Retirement Plan for Religious Communities," Hospital Progress, 53:57-59, September, 1972; "Financial Aspects of a Retirement Plan for Religious Communities," Hospital Progress, 54:38-41, July, 1973; "Preliminary Steps in Financial Planning for Religious Communities," Hospital Progress, 56:41-43, 50, November, 1975.

³²Trubac, E. R., "Business-Oriented Planning Techniques for Religious Communities," Hospital Progress, 52:49-52, 60, April, 1971; "An Approach to Evaluating the Effectiveness of Apostolates," Review for Religious, 34:911-918, November, 1975; "Implementing Financial Plans Compatible with Community Goals," Review for Religious, 34:748-756, September, 1975.

³³Trubac, E. R., "An Approach to Evaluating the Effectiveness of Apostolates," Review for Religious, 34:918, November, 1975.

A personal budget is an experiment which requires complete knowledge and understanding of what is involved in religious poverty and then the freedom of choice in opting to secure a material object or to refrain from securing it.³⁴

Other writers were attempting to reconcile the dimension of religious poverty as a gospel value, and the religious congregations' involvements and dealings with the secular world. Byron asks:

How can we be poor and still run schools, be well educated ourselves, mingle with the wealthy, own land, manage portfolios, enjoy good health, nutrition and medical care, have secure provision for old age?³⁵

Hollenbach believes that investment portfolios are an accepted part of religious goods, and outlines the social responsibilities that befall on religious congregations as shareholders in large corporations. He speaks of the ethical responsibility which stems from corporate investment holdings by religious congregations, and maintains that "shareholders such as religious congregations bear the onus of ... (social) responsibility to help in the attempt to redirect the behavior of American corporations."³⁶

Whereas Hollenbach considered the canonical and social

³⁴Baumann, Ursula (Sister), O.S.U., "The Sister's Personal Budget," Review for Religious, 29:53, January, 1970.

³⁵Byron, W. J., S.J., "Religious Poverty and the Secular Redistribution of Income," Sisters Today, 46:32, August-September, 1974.

³⁶Hollenbach, David, S.J., "Corporate Investments, Ethics and Evangelical Poverty: A Challenge to American Religious Order," Theological Studies, 34:270, June, 1974.

justice implications of corporate investments, three years later, Gollin was painting a rather gruesome picture of where some of those investments had led certain religious congregations, the damages caused by unwise portfolio decisions.

A growing body of evidence indicates that the Catholic religious orders, which run institutions with many hundreds of millions of dollars, are in grave financial trouble. In part, the religious orders are the victims of the recent hard times and of a measurable decline in fervor. But they are also wounded by their outworn management practices.³⁷

Gollin was estimating that in May, 1976, religious orders' total assets were in the neighborhood of ten billion dollars in the U.S. alone.

Religious orders became conscious of their need for expertise and professional advice in their responsibility for responsible and accountable stewardship. The revisions which were being introduced, the various changes with which religious orders were now required to cope, all contributed to creating an urgent need for guidelines "which would reconcile the practical concept of poverty with the practical use of money and goods."³⁸

The need for specialized assistance in financial matters resulted in the establishment of Stewardship Services Incorporated, a permanent financial consulting office within

³⁷Gollin, James, "There's an Unholy Mess in the Churchly Economy," Fortune, 74:223, May, 1976.

³⁸Kammerer, Dorothy (Sister), C.P.P.S., and Flynn, R. J., "Designing a Financial Program for a Religious Community," Sisters Today, 41:268, January, 1970.

the Church, whose principal clients were religious orders.³⁹ Reverend Father Paul Boyle, a founding member of Stewardship Services Incorporated, estimated that in 1976 there were 25 to 35 communities in serious financial trouble.⁴⁰ These financial difficulties were of great concern to the entire Roman Catholic Church; in the case of La Salette Fathers' financial difficulties, for instance, Pope Paul VI came to their aid with a contribution of \$56,000.⁴¹

Amelse comments on the financial mishaps of religious congregations:

Public attention had tended to focus on the caliber of the financial administrators and advisors involved in these cases rather than on the adequacy of the underlying systems of financial organization, policies and procedures in each instance. Responsible stewardship can result only when qualified administrators function within an appropriate financial management system ... The exercise of responsible stewardship today calls for clear financial organization, appropriate financial policies and⁴² sound budgeting accounting and reporting procedures.

Amelse suggests means to improve the adequacy of financial management systems in selected areas. He concludes by recommending that congregations seek qualified assistance in these areas, if required.

³⁹Gollin, op. cit., p. 248.

⁴⁰Ibid., p. 248.

⁴¹Ibid., p. 243.

⁴²Amelse, G. R., "The 'System' Side of Stewardship," Review for Religious, 36:379-380, May, 1977.

Probst discusses the implications of the AICPA Accounting Standards Subcommittee on Nonprofit Organizations for religious communities and the organizations they sponsor: "A number of the proposals would appear to have the 'opposite' effect on religious communities and their organizations."⁴³ He points out areas where the application of the proposals would create confusion for the religious congregations: the accrual basis of accounting, the distinctions which are to be made between restricted and unrestricted funds, the inclusion of a total for all accountable funds and the proposed treatment of donated services.⁴⁴

Religious Groups' Manuals

There have been notable efforts on the part of religious congregations to prepare standardized guidelines for their financial management activities. The Sisters of the Holy Name of Jesus and Mary (Canada and U.S.), assisted by Peat, Marwick and Mitchell and Company staff, prepared a procedures manual to be used internally by their congregation. This manual has not been released for publication. The authors identify the general purposes of the manual as follows:

⁴³Probst, F. R., "Accounting Practices for Religious Organizations," Review for Religious, 37:125-126, January, 1978.

⁴⁴Ibid., p. 126.

This Budgeting, Accounting and Financial Reporting Policies and Procedures Manual has been developed to aid and support the stewardship responsibility and strengthen the financial management practices of the SNJM Congregation.⁴⁵

It is intended as a management tool.⁴⁶ The specific functions of treasurers, both at the general and provincial levels, are spelled out.⁴⁷ The standards and the process of financial reporting are carefully detailed. The reports must follow consistent accounting practices and provide adequate disclosure.

The Sisters of Charity of St. Vincent de Paul carried out a comprehensive review of their financial policies in 1975. The ensuing publication, which was revised in 1977, states the following purpose:

To ensure the temporal affairs of the congregation are managed in a manner that is consistent with Canon Law; the constitutions of the congregation; the Enactments of Chapter; and⁴⁸ generally accepted principles of financial management.

The publication covers broad statements of policies, followed by the respective details of implementation. These policies are equally applicable to Canadian and American

⁴⁵Sisters of the Holy Names of Jesus and Mary, Budgeting, Accounting and Financial Reporting Policies and Procedures Manual, p. 1110.

⁴⁶Ibid., p. 1210.

⁴⁷Ibid., pp. 8210, 8211.

⁴⁸Sisters of Charity of Saint Vincent de Paul, Financial Policies.

units of the congregation. It is intended for internal usage, and has not been released to the public.

The Canadian Religious Conference's Committee for Temporal Affairs developed an administrative manual intended for the religious congregations in the province of Quebec.⁴⁹ The content provides for both the theoretical (legal, canonical and administrative information) and the practical dimensions. In the latter, it provides certain detailed explanations concerning procedures to be followed, pitfalls to be avoided, or systems applicable to given specific cases. Although this manual was prepared primarily for the province of Quebec, a large amount of its content is equally applicable to other Canadian regions. This publication is available to all members of the Canadian Religious Conference.

The three publications described above cover significantly different aspects of financial management in religious congregations.

Summary

A review of the literature reveals that:

1. Concern is certainly being expressed on the overall topic of accounting for non-profit organizations by writers from the accounting profession.
2. Certain authors (mostly members of religious

⁴⁹Conférence Religieuse Canadienne, Région Québec, Manual de l'administration des affaires temporelles d'une communauté religieuse de la province de Québec.

congregations) have dealt with specific areas of financial management in religious congregations.

3. Basic accounting textbooks have been published which provide general procedures for all service-oriented non-profit organizations.

4. Certain religious bodies have prepared manuals of procedure or of policies for their respective, specific groups.

Interest is certainly evidenced by the quantity of literature that is available on various elements of the problem under scrutiny in the present study.

Moreover, initial proposals and communications are now available as to the general direction of the revised Code of Canon Law. Although the final promulgation has not yet been made, the codes which deal with the administration of temporal goods in religious institutes (Canons 37-43) are now in their final form.⁵⁰ Although the document which has been prepared by the Pontifical Commission is not for public circulation, copies have been made available to concerned parties. The general spirit which emanates from the revised codes seems to be one of accountability at all levels.⁵¹

At the present time, lacking is a theoretical structure

⁵⁰ Pontifical Commission for the Revision of the Code of Canon Law, Draft of the Canons of Book Five: The Law Regarding Church Possessions, 77 pp.; Beyer, Jean, S.J., Vers un nouveau droit des instituts de vie consacree, 352 pp.

⁵¹ Gallen, J. F., S.J., "The Proposed Canons on the Consecrated Life Explained: III," Review for Religious, 38:683-695, September-October, 1979.

which reconciles the needs and particular requirements of the religious congregations in Canada with the standards which have been recognized by the professional accounting body in Canada, that is, the Canadian Institute of Chartered Accountants, and the ecclesial requirements that have been defined in the proposed revision of Canon Law.

Consequently, there is a need to define this theoretical structure and to identify those procedures and policies which could stem from it. The preceding review of literature has evidenced this need. The present study purported to fulfill such a need. Consequently, the content of the questions which were used in the survey instrument was based on the theoretical structure which constitutes these procedures and policies.

CHAPTER III

METHODS AND PROCEDURES

The purpose of Chapter III is to present a description of the methods and procedures which were followed in order to arrive at effectively analysing the given problem.

Nature and Sources of Data

In order to analyse the problem as stated in the present study, two types of data were involved:

A. Descriptive data.

1. Nature:

The descriptive data identified certain selected accounting and financial management procedures presently being followed in Canada by Roman Catholic religious institutes.

2. Source:

This information was derived from a field survey questionnaire which was distributed to all religious institutes which were currently carrying membership in the Canadian Religious Conference.

These institutes constituted the vast majority of the total number of religious groups in Canada, and encompassed religious congregations which were mainly

involved in active apostolates. The contemplative and monastic orders were few in number. The religious congregations which are in Canada but which are not members of the CRC have very few members in Canada; consequently, they were excluded.

Each item which appeared in the survey instrument had been designed to reflect the main financial transactions and procedures which are normally found in the course of a religious institute's financial management activities. The face sheet information purported to supply basic descriptive data relative to the respective respondents.

B. Theoretical Data.

1. Nature:

Data which identified the standards and procedures of financial management appropriate for religious institutes in Canada.

2. Source:

The main documents which were used to identify these standards and procedures were classified into two major categories, according to content:

(a) The research report of the Canadian Institute of Chartered Accountants' "Accounting for Non-Profit Organizations Study Group," which was published and released under the title of Financial Reporting for Non-profit Organizations. This report outlined the

accounting standards and procedures which are considered appropriate by Canada's accounting professionals. The procedures and financial reporting standards contained in this report are considered to be appropriate for Canadian non-profit organizations, and are in compliance with Canadian legislation.

(b) The ecclesial legislation as it pertains to religious congregations is contained in the revised codes of Canon Law, Chapter V, Canons 37-43. At the present time, one of the principle sources of this information is the Draft of the Canons of Book Five: The Law Regarding Church Possessions, which has been prepared by the pontifical Commission for the Revision of the Code of Canon Law.

Other sources, such as Jean Beyer's Vers un Nouveau Droit des Instituts de Vie Consacree, and several documents which have been prepared and distributed under the auspices of the Canadian Religious Conference, were used as complementary sources which served to further detail the content of the main sources.

Steps of a Preliminary Nature

A detailed scrutiny of the accounting literature preceded the preparation of the questionnaire which was used for data collection. As a result, accounting principles were

identified and they provided the fundamental criteria which served to determine the selection of the questions which were to be included in the instrument. Therefore, the content of the questions reflected the accounting theory which is considered to constitute the structural framework of acceptable accounting systems. The individual items were simplified in order to make them accessible to all respondents.

Preliminary steps to the administration of the present study included interviews with various individuals who had a expertise and close interest in the topic. These individuals provided input as to the general direction of the study and to the content of the survey instrument.

1. The items of the survey questionnaire were subsequently verified by 15 persons who possessed a certain expertise in the subject. The letter which accompanied the questionnaire in the pilot project is shown in Appendix B, page 230. The questions were considered to be valid and reliable by the sample audience. The instrument was subsequently verified by a consultant from the Bloomington Academic Computing Services, in order to ascertain the readiness of the items for computer analysis using the Statistical Package for Social Sciences Program (SPSS). The recommended changes were incorporated, and the questionnaire was sent as shown in Appendix A, page 201, in both the English and the French languages.

2. A letter was obtained from the president of the Canadian Religious Conference, attesting to her support and

approval of the present study, and encouraging the collaboration of all CRC members in responding to the field survey questionnaire. Copies of this letter, in both the English and the French languages, are shown in Appendix B, page 230.

3. In view of the language differences which prevail in certain areas of Canada, it was considered highly advantageous and preferable to make available bilingual copies of the survey instrument as well as of all correspondence germane to the study. Respondents were thus provided the opportunity of responding in the language of their choice.

4. The questionnaires were printed in an appropriate and acceptable format, using the offset printing facilities at the national office of the Canadian Religious Conference in Ottawa, Ontario, Canada.

5. The questionnaires were mailed from the same office (CRC, Ottawa) making use of their up-to-date membership listings. The mailing included: (1) the survey instrument; (2) a copy of the letter from the CRC president; (3) a cover letter explaining the purpose of the study (copies in both English and French languages included in Appendix B, page 230); and (4) a self-addressed, stamped, return envelope to provide for mailing of responses. This mailing was addressed to the major superiors (members of the CRC) of each institute and to provincial superiors of all religious institutes in Canada, with a request to please remit to their respective treasurers.

The cover letter extended to the religious treasurers

an invitation to share any accounting forms, written policies or procedures, etc., that they may have prepared in their own particular institute.

Distribution of Questionnaires

The total number of questionnaires which was originally sent was 336. Of this number, it was found that 15 were not applicable. They were either duplicate copies which had inadvertently been forwarded to two persons from the same accounting entity, or returned by institutes stating that the questions did not at all correspond to their administrative structures. (See Table 01).

TABLE 01
DISTRIBUTION OF QUESTIONNAIRES SENT TO POPULATION

Description	N	Percent (of 321)
Questionnaires originally forwarded to CRC members	336	...
Institutes to which questionnaire was not applicable	15	...
Number of valid questionnaires	321	100.0
Institutes advising they did not wish to participate in the study at this time	8	2.5
Questionnaires not returned (No response whatsoever)	15	4.7
Number of questionnaires completed and used in the data computation	298	92.8

There was, therefore, a total of 321 valid questionnaires. Of this number, 15 were not returned, and 8 responded that they did not wish to participate at this time. Five of these specified that they were in a transitory phase of the reorganization of their own accounting systems, and that they did not consider it appropriate to participate in a study of this nature.

Approximately two months after the date on which returns had been requested, a follow-up letter was sent to

all non-respondents. The follow-up letters produced 30 additional completed questionnaires. (Copies of follow-up letters in both the English and the French languages are shown in Appendix B).

Description of Population

Questions 01 through 06 solicited general descriptive information. In question 01, the name of the institute was given in full. All questionnaires were coded numerically for identification purposes during the compilation process. This number corresponded to the respective membership numbers shown in the 1981 CRC directory. The names given in question 01 served as a means of control to confirm the numbers.

Question 02

Type of order:

- (a) Active
- (b) Contemplative
- (c) Monastic

Question 02 identified the respondents on the basis of the types of orders to which they belonged. (See Table 02). Initially, three types had been given on the questionnaire.

TABLE 02
DISTRIBUTION OF POPULATION BASED ON
TYPE OF ORDER

Response Item	N	Percent
(a) Active institute	272	91.3
(b) Contemplative institute	7	2.3
(c) Monastic institute	8	2.7
Active and Monastic	10	3.4
Fraternity Friars	1	.3
Total	298	100.0

In the process of computation, two others were added. One respondent specified the type of order is "fraternity friars," not linked with any of the three shown. Also, 10 respondents specified their order was a combination of "active and contemplative." These specifications were reflected in Table 02; however, in the crosstabulation analyses of the individual questions, they were included in the "active" total.

Question 03

Are you:

- (a) Priests
- (b) Brothers
- (c) Sisters

The purpose of question 03 was to identify the membership of the respondents. Three categories of responses were available, namely, priests, brothers, and sisters.

TABLE 03
DISTRIBUTION OF POPULATION BASED ON
TYPE OF MEMBERSHIP

Response Item	N	Percent
(a) Priests	15	5.0
(b) Brothers	28	9.4
(c) Sisters	205	68.8
Priests and brothers	50	16.8
Total	298	100.0

In the process of computation, 50 respondents indicated their membership included both priests and brothers. These responses are shown as a separate item in Table 03; however, for subsequent computation and analysis purposes,

the two groups were combined and considered as priests' groups, since that is how they are considered in the CRC Directory. Thus, the total number of responses in the priests' category would be 65, with a percentage of 21.8.

Question 04

Is the person completing this questionnaire a:

- (a) General treasurer (go to question 05)
- (b) Provincial treasurer (go to question 06)

The responses to this question served to classify the respondents according to the level of administration on which they functioned. (See Table 04).

The items shown in Table 04 present the respondents as they identified themselves on the questionnaire. For purposes of computation, the abbots or priors were included in the "general" category, since they represented autonomous institutes.

TABLE 04
DISTRIBUTION OF POPULATION BASED ON LEVEL OF
ADMINISTRATION OF RESPONDENTS

Response Item	N	Percent
(a) General treasurer	78	26.2
(b) Provincial Treasurer	198	66.4
Provincial superior	16	5.4
Abbot or prior	6	2.0
Total	298	100.0

Question 05

As a general treasurer, do you have any provinces in Canada?

(a) Yes

(b) No

The respondents who classified themselves in the (a) category in question 04, namely, the "general" level, were required to further indicate whether they had provinces in Canada.

TABLE 05
GENERAL TREASURERS WITH PROVINCES IN CANADA

Response Item	N	Percent
(a) Yes	19	24.1
(b) No	59	75.9
Total	78	100.0

Note: The total of the N column corresponds to the total number of respondents who functioned at the general level. (See Table 04).

The base figure for the N column in this table is 78, the number of respondents who indicated that they functioned at the general level.

Question 06

As a provincial treasurer, is your general treasurer in Canada?

- (a) Yes
- (b) No

The purpose of question 06 was to further describe the population by identifying the provincial treasurers whose general treasurers were in Canada. (See Table 06). In view

of further research which could be pursued on the basis of the data gathered in the present study, this question was considered to be significant.

TABLE 06
PROVINCIAL TREASURERS HAVING GENERAL TREASURERS IN CANADA

Response Item	N	Percent
(a) Yes	79	27.1
(b) No	135	72.9
Total	214	100.0

Note: Total for N column is 214, number of respondents who functioned at provincial level. (See Table 04).

The base figure for the N column in this table is 214, the number which corresponds to the total number of respondents who functioned at the provincial level.

Language of respondents

An additional detail on the description of the respondents indicated that on the basis of language, they were distributed as follows: 225 (75.5%) responded in the French language; 73 (24.5%), in the English language.

Processing Data

All questions were coded on the basis of the response item which was selected by the respondent. Value labels were

assigned to each item, in order to facilitate computation. All annotations were given a specific code, and subsequently analysed on an individual basis.

Computer technology was used for the computational process. The Statistical Package for the Social Sciences (SPSS) Program was used for the general frequencies, and for crosstabulations between the various questions. These descriptive statistics provided data which facilitated the identification of patterns and trends to the various items being analysed.

In view of the fact that the questions dealt with methods, procedures, and practices, there was not one only, correct response for each question. The purpose of the questions was to obtain general descriptions of existing situations. Therefore, in several questions, it was found that more than one item proved to be applicable to the respondent's particular situation. These multiple-item responses were dealt with on an individual basis and were described in the respective analyses.

Appendices

Included in the appendices are copies of the documents and correspondence used in the course of the research carried out for the purposes of this study. These include the data collection instruments, in both the English and French languages, as well as the cover letters which accompanied the initial mailing as well as the follow-up mailing.

Preview of Report

Chapters IV through VII will deal with the detailed analysis of the data gathered in the survey questionnaire. These data were referred to in the elements of the problem as the first body of evidence required to solve the problem. (See pages 4 and 5).

The remaining two bodies of evidence, that is, the accounting standards as outlined by the CICA and the Roman Catholic Canon Law requirements, are integrated in the summary of findings and recommendations which are presented in Chapter VIII. These two documents were not employed in their entirety. Only those sections which were germane to the present research were employed. Also, the two documents were not presented and analysed in a distinct chapter, in order to avoid unnecessary repetition. They were presented as applicable or required to provide the necessary basis for each recommendation.

Further discussion of either of these documents would have been superfluous. For instance, the codes of Canon Law are very succinct, and only three of these relate to the purpose of the study. As for the CICA Study, its contents are applicable to all financial reporting of non-profit organizations. The scope of the CICA Study extends considerably beyond the requirements of the present study. Hence, its applicability was partial, and only selected segments were required.

CHAPTER IV

ORGANIZATION OF TREASURY FUNCTION

Part II of the survey is titled "Organization of Treasury Function in your Institute (Province)." This chapter contains a statistical description and analysis of the data gathered in questions 07 through 22. Each question will be analysed individually.

Objective of Questions

The general purpose of the fifteen questions was to identify the decision-making structure of religious institutes with respect to financial matters. The questions are based on a hierarchical model of government within the religious institute.

Analysis of Data for Individual Questions

The information gathered is presented in tabular form. For all questions, the general frequency distribution will include absolute as well as relative frequencies expressed in terms of percentages. The initial statistical analysis contains a presentation of each question in numerical sequence. The concluding summary will consider the overall results from a thematic point of view.

Question 07

Is the current general (provincial) treasurer:

- (a) An elected member of the general (provincial) council;
- (b) A member ex-officio of the general (provincial) council;
- (c) Not a member of the council at all.

This question identified the capacity in which the current treasurers functioned with their respective councils. According to the responses for this question, 51.7% of the current treasurers are not members of their respective councils. Comments which accompanied response (c) indicated that the treasurer was called upon to attend all meetings which dealt with questions of financial matters. (See Table 07).

TABLE 07
CURRENT GENERAL (PROVINCIAL) TREASURERS
MEMBERS OF RESPECTIVE COUNCILS

Response Item	N	Percent
(a) Elected member	96	32.2
(b) Ex-officio member	39	13.1
(c) Not member	154	51.7
Non-applicable	3	1.0
Missing responses	6	2.0
Total	298	100.0

Although the majority of treasurers are not members of their respective councils, they are, nonetheless, called upon to work with their councils.

The three non-applicable responses originated from monastic institutes, where the governmental structures differ considerably from those of the active institutes.

Question 08

How is your general (provincial) treasurer selected?

- (a) Elected as such by the general (provincial) Chapter delegates;
- (b) Appointed by the general (provincial) council from its elected members;
- (c) Appointed by the general (provincial) council from members of the institute (province) outside the general (provincial) council;
- (d) Other: (please specify).

Question 08 is complementary to question 07, insomuch as it reflects the method by which the treasurer is selected. The responses to this question indicated that the largest number of treasurers are appointed by their councils from members of the institute outside the elected council members. The 70 responses which were inserted under the option of "other," appear to reflect interpretations of options (b) and (c). This figure reflects responses which were either added written specifications to options (b) and (c), or which used the (d) Other option. In view of the fact that these were so numerous, an additional specific category was formed in the process of computation. These added explanations stated that the treasurer, who is selected by the respective council, may in some cases be an elected member; however, this condition is not essential, and the treasurer may equally be selected from non-elected members. This category of responses (23.5%), combined with the 45.3% under option (c), would

definitely reflect a trend for providing councils with adequate leeway for the selection of treasurers.

TABLE 08
METHOD OF SELECTION OF GENERAL (PROVINCIAL) TREASURERS

Response Item	N	Percent
(a) Elected as such by respective chapter delegates	51	17.2
(b) Appointed by respective council from its elected members	27	9.0
(c) Appointed by council from members of institute outside council	136	45.6
(d) Selected from members at large (who may, or may not, be elected council member)	70	23.5
Appointed by provincial superior	3	1.0
Appointed by Abbot	3	1.0
Non-applicable	3	1.0
Missing responses	5	1.7
Total	298	100.0

In 17.2% of the cases, treasurers are elected by the Chapter delegates (option a). A breakdown of these responses indicated that sisters are predominant in this practice, claiming 39 (76.6%) of the 51 responses recorded. Brothers and priests share the remaining 23.4% with 13.6% and 9.8% respectively.

Question 09

Do your constitutions or financial policies set forth the qualifications required of persons appointed to administer the financial affairs of your institute (province)?

(a) Yes

(b) No

Chapter 1 of the present study discussed the events and ecclesiastical declarations which brought about considerable change in the constitutions of religious institutes throughout the Roman Catholic Church. The generating forces which led to these revisions emanated from the Vatican II Council document Perfectae Caritatis which declared that: "The appropriate renewal of religious life involves ... an adjustment of the community to the changed conditions of the times."¹

For reasons which were also identified and discussed previously, it became essential for religious groups to give greater consideration to financial management.

The findings for this question revealed that 116 (38.9%) of the respondents have defined, or set forth, in some way, the qualifications required of persons appointed to administer the financial affairs of the institute. On the other hand, 176 (59.1%) responded negatively to this question. (See Table 09).

¹Abbott, Walter M., S.J. The Documents of Vatican II, p. 327.

TABLE 09
 QUALIFICATIONS OF TREASURERS DEFINED IN
 CONSTITUTIONS OR POLICIES

Response Item	N	Percent
(a) Yes	116	38.9
(b) No	176	59.1
Missing Responses	6	2.0
Total	298	100.0

No distinction was made in the question as to whether the qualifications were identified in the actual constitutions rather than in the financial policies manuals; such distinction is beyond the requirements of the purpose for which the question was included. By their very nature, the constitutions would offer such directives in much broader, general terms; whereas the financial policies would likely be more specific and offer more detail. A few of the affirmative responses were accompanied by written comments to the effect that their qualifications statements were very brief and all-encompassing; e.g., keen sense of business and finances, and sense of poverty; sound judgement; common sense; etc. In view of these comments, and according to the samples of such texts which were provided by the

respondents, it can be concluded that the religious groups who define the qualifications required of their financial officer, do so in very broad terms only and do not specify (at least not in writing) such factors as educational requirements, or previous professional experience.

The distribution of the affirmative responses in this question corresponded proportionately to the distribution of membership.

Question 10

Do your constitutions (directory or statutes) identify and define the judicial acts which are to be considered as acts of "ordinary administration" as distinguished from those acts which are of "extraordinary administration," as well as specify the level of administration which is authorized to realize each category?

- (a) Yes
- (b) No

The main purpose of question 10 was to identify the trends in Canadian religious institutes with respect to the subject of extraordinary administration. The topic has been one of major concern to legislators and canonists within the Church, as will be seen subsequently in the present report. In 66.8% of the responding institutes, the constitutions identify and define the judicial acts which are to be considered as either acts of "ordinary" administration or as acts of "extraordinary" administration.

TABLE 10
DEFINITION OF ACTS OF ADMINISTRATION
IN CONSTITUTIONS

Response Item	N	Percent
(a) Yes	199	66.8
(b) No	88	29.5
Other	2	.7
Missing Responses	9	3.0
Total	298	100.0

The two responses which have been coded under the category label of "other" read as follows:

1. (a) Yes to the "ordinary acts"
(b) No to the "extraordinary acts."
2. The definitions are contained in the treasurer's manual.

Further analysis of the positive responses to this question shows the following distribution: 70.7% of all priests; 82.1% of all brothers; and 63% of all sisters.

The ramifications of this question are very important.

Question 11

Does the general (provincial) treasurer consult or work with a financial advisory committee?

(a) Yes (go to question 12)

(b) No (go to question 13)

Responses to question 11 revealed that 124, or 41.6%, of the respondents did consult or work with an advisory committee. A crosstabulation of this response with the membership table indicated that the affirmative responses were distributed as follows: 62.5% of all priests; 53.5% of all brothers; 33% of all sisters.

TABLE 11

TREASURERS WORKING WITH FINANCIAL ADVISORY COMMITTEE

Response Item	N	Percent
(a) Yes	124	41.7
(b) No	167	56.0
Non-applicable	1	.3
Missing Responses	6	2.0
Total	298	100.0

Several factors have induced religious institutes and their treasurers to call upon lay expertise for assistance in the management of their financial affairs. In recent years,

religious institutes have suffered severe financial hardships. These problems have served to alert other institutes to take the necessary precautions in order to avoid similar difficulties. According to Gollen,² some of the most serious situations arose out of mismanagement of investments. It thus became advisable for religious to avail themselves of professional advisory services in the various dimensions of financial matters.

Question 12

What is the composition of your financial advisory committee? (Please indicate the number of members for each appropriate category).

- (a) Religious, members of your institute (province); number:
- (b) Religious, members of other institutes; number:
- (c) Diocesan clergy; number:
- (d) Chartered accountants (lay persons); number:
- (e) Other lay persons; (please indicate the profession or occupation of these persons); number:

An analysis of the responses tabulated from question 12 gave the composition of the financial advisory committees as shown in Table 12.

Among the "other" were six combinations of the items (a) through (d), three of which occurred twice, ten of which occurred once. It is readily seen that religious institutes

²Ibid., p. 234.

(101 of the respondents) make use of their own members on their financial advisory committees. Only one of the responses did not include the (a) item.

Category (e), which required respondents to identify the professions or occupations of the other lay persons on their advisory committees, showed the following responses: businessmen (both active and retired); bankers (active and retired); investment advisors; trustees; and realtors.

TABLE 12
COMPOSITION OF FINANCIAL ADVISORY COMMITTEES
SERVING RELIGIOUS INSTITUTES

Response Item	N	Percent
(a) Religious members of same institute	99	33.2
(b) Religious members of other institutes	0	0.0
(c) Diocesan clergy	0	0.0
(d) Chartered Accountants (lay)	57	19.1
(e) Other lay persons	34	11.4
Non-applicable	167	56.0
Missing responses	6	2.0

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-response items.

Thirteen of the respondents indicated that they engaged the services of professional accounting firms for annual audits, or as need arose for specific purposes; the applicability of this response is questionable for the purpose of this question. If this figure were to be taken out of context, its interpretation would be grossly misleading: a much greater number of religious institutes engage professional accountants for their annual audits. In addition, although professional accountants are very frequently called upon by religious institutes to offer financial advice, it was not felt that this particular option bore the same consequences or connotation as do financial advisory committees. However, this response was tabulated and is mentioned at this point, since it did represent 4.4% of the replies.

Question 13

What is the decision-making structure with respect to financial matters in your institute (province)?

- (a) All decisions pertaining to routine ordinary matters are made by the general (provincial) treasurer;
- (b) All decisions pertaining to non-routine or extraordinary matters are made by the general (provincial) treasurer;
- (c) All decisions pertaining to non-routine or extraordinary matters are made by the major superior and carried out by the general (provincial) treasurer;
- (d) All decisions pertaining to non-routine or extraordinary matters are made by the general (provincial council, and carried out by the general (provincial) treasurer;
- (e) All matters pertaining to non-routine or extraordinary matters are first discussed with the financial advisory committee and subsequently referred to members of the general (provincial) council for final decision;
- (f) Other; (please specify)

The ultimate objective of question 13 was to identify structures which the institutes had established for their decision-making process in financial matters. Indirectly, the scope of authority of the treasurer will also be reflected in the results of these responses.

TABLE 13
 DECISION-MAKING RE FINANCIAL MATTERS
 AT INSTITUTE (PROVINCE) LEVEL

Response Item	N	Percent
(a) All decisions pertaining to routine matters are made by the general (provincial) treasurer	195	65.4
(b) All decisions pertaining to non-routine matters or extraordinary matters are made by the general (provincial) treasurer	0	0.0
(c) All decisions pertaining to non-routine or extraordinary matters are made by the major superior and carried out by the general (provincial) treasurer	30	10.1
(d) All decisions pertaining to non-routine or extraordinary matters are made by the general (provincial) council, and carried out by the general (provincial) treasurer	237	79.5
(e) All matters pertaining to non-routine or extraordinary matters are first discussed with the financial advisory committee and subsequently referred to members of the general (provincial) council for final decision	70	23.5

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-response items.

The responses to question 13 make up a diversified distribution. However, there is a distinct concentration around items (d), (a)+(d), and other combinations containing

the (a) and (d) items. The responses to this question were accompanied by a large number of annotations indicating that institutes employ various approaches to decision-making with respect to financial matters. However, it is evident that a trend is reflected in these figures; in very few instances do treasurers, alone, make important decisions, as is reflected in responses to item (b). The same statement applies for major superiors. In the greater number of institutes, the treasurers act: after discussion, either with their respective councils or with their advisory committee, or both; or, they are mandated by their respective councils.

The distribution for these responses is so widespread that no particular trend could be specifically determined with respect to the membership of respondents. Priests, brothers, and sisters shared the distribution of responses proportionately.

Question 14

What are the main duties carried out by the general (provincial) treasurer?

- (a) Performs all financial bookkeeping and accounting tasks;
- (b) Supervises and directs subordinate support staff which carries out the financial bookkeeping and accounting tasks;
- (c) Supervises and directs all the construction and major repair projects for the entire institute (province);
- (d) Supervises and directs centralized purchasing service for the overall institute (province);
- (e) Acts exclusively in advisory capacity to members of the general (provincial) council;
- (f) Other main duties not indicated above:

The purpose of identifying the treasurers' main duties was to determine whether their level of functioning was situated mostly in a management and advisory capacity, or mostly in an executive capacity. The distribution of these responses is presented in Table 14.

A relatively small number of respondents checked off individual items (one duty only) in this question. A total of 87 (29.7%) claimed items (a), (b), (c), (d), or (e) in individual responses. The remaining 209 respondents selected two or more items for a total of 70.1% in combined responses. Therefore, the distribution given in Table 14 appears in summary form, combining in one figure all respondents who

had selected each particular item, whether it appeared as individual responses or as combined responses. That is why the total "N of responses" column will not correspond to the usual grand total of 298; similarly, the "Percent of respondents" column will not total 100. This is due to the fact that 209 respondents gave multiple responses.

TABLE 14
MAIN DUTIES CARRIED OUT BY GENERAL
(PROVINCIAL) TREASURERS

Response Item	N	Percent
(a) All bookkeeping-accounting tasks;	189	63.9
(b) Supervision of staff in bookkeeping-accounting tasks;	156	52.3
(c) Supervision of construction and major repairs	157	52.7
(d) Supervision of centralized purchasing service	28	9.4
(e) Advisory capacity to council	64	21.4

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-item responses.

It would be expected that responses (a) and (b) should be mutually exclusive: either the treasurer performs the

bookkeeping and accounting tasks, or he supervises a subordinate staff who performs these tasks. However, it is noted that the two figures overlap. More precisely, 57 respondents claimed both the (a) and (b) responses. A number of these deleted the word "exclusively" from the text of item (a). It may be concluded that these treasurers perform some of the bookkeeping-accounting tasks themselves, and that they are provided with support staff for certain other tasks. Again, since the survey dealt with procedures, systems and methods, multiple responses can be expected within the same question.

Since the range of responses is so widespread for this question, it is not possible to detect trends on the basis of membership. The initial analysis covered 26 different categories or combinations of responses.

Question 15

How is the local treasurer selected in your institute (province)?

- (a) Nominated exclusively by the major superior;
- (b) Nominated exclusively by the local superior;
- (c) Nominated by the major superior, upon recommendation by the local superior;
- (d) Selected by members of the general (provincial) council;
- (e) Selected by the members of the respective local group;
- (f) Other (please specify);

The scope of authority and of responsibility exercised by the person to whom are entrusted the financial activities at the local level is of lesser importance than that of the counterpart at the higher (general or provincial) level. The local treasurer very often holds other offices, so that this particular responsibility is frequently in addition to other, more important functions. The selection of the person who will assume the treasury function at the local level is frequently conditioned by this situation. In actual practice, selection of a local treasurer thus becomes dependent upon the availability of the persons on site. This notation was made on a number of responses.

The responses which general and provincial treasurers provided to question 15 are summarized in Table 15. As those figures indicate, there is no particularly strong individual response. However, item (d) claimed 90 responses from 30.2% of all respondents. Next in rank is item (e), with a total of 63 responses, from 21.1% of the participating institutes.

Question 15 was also found to have multiple-item responses. The combined (d)+(c) response was offered by 9 persons.

Therefore, it may be concluded that, on the whole, local treasurers are selected as a result of some democratic process. The local groups are consulted in some way, prior to the nomination of a local treasurer.

TABLE 15
SELECTION OF LOCAL TREASURERS

Response Item	N	Percent
(a) Nominated exclusively by major superior	31	10.4
(b) Nominated exclusively by local superior	15	5.0
(c) Nominated by major superior, upon recommendation by the local superior	40	13.4
(d) Selected by members of the general (provincial) council	90	30.2
(e) Selected by members of the respective local group	63	21.2
Nominated by Abbot	1	.3
Combined responses	32	10.8
Local council	32	10.8
Non-applicable	3	.7
Missing cases	2	.7

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-item responses.

Response item "Local Council" was added to the list of items which appeared on the original questionnaire. Under this label are entered the written comments which were added by the respondents. These may be summarized by stating that local councils (where they exist) provide input to the selection of the local treasurer. They are either entirely responsible for the nomination, or they are called upon to

recommend a person to the major administration.

An analysis of the responses for this question on the basis of membership shows that the strong cluster centres on items (d) and (e): 53.8 % for all priests; 54.6% for all sisters; and 46.4% of all brothers.

Question 16

What is the structure of the decision-making with respect to local financial matters?

- (a) All decisions pertaining to ordinary and routine matters are made by the local treasurer;
- (b) All decisions pertaining to ordinary and routine matters are made by the local group and carried out by the local treasurer;
- (c) All decisions pertaining to ordinary matters are made by the local superior and carried out by the local treasurer;
- (d) All decisions pertaining to extraordinary matters are made by local superior;
- (e) All decisions pertaining to extraordinary matters are made by the local group and carried out by the local treasurer;
- (f) All decisions pertaining to extraordinary matters are made by the general (provincial) treasurer and carried out by local treasurer;
- (g) Other (please specify);

The analysis of the responses to this question indicates that a total of 93 (31.2%), treasurers chose single-item responses, that is, they checked off one item only, for this question. The remaining 205 (68.8%) chose multiple-item

responses to define their decision-making structure with respect to financial matters at the local level.

TABLE 16
DECISION-MAKING AT LOCAL LEVEL

Response Item	N	Percent
(a) Ordinary decisions made by local treasurer	109	36.6
(b) Ordinary decisions made by local group	126	42.3
(c) Ordinary decisions made by local superior	83	27.9
(d) Extraordinary decisions made by local superior	21	7.0
(e) Extraordinary decisions made by local group	95	31.9
(f) Extraordinary decisions made by general (provincial) treasurer	81	27.2
(g) Other: Ordinary and extraordinary decision made by the local council	12	4.0
Non-applicable	3	1.0
Missing responses	5	1.7

Note: Column totals do not equal to the basic amounts of 298 and 100%, due to multiple-item responses.

The occurrence of such a high percentage of combined or multiple-item responses is to be expected in a question of this nature, where items are not mutually exclusive. Therefore, it was more expedient to tabulate the items by

combining the single responses with the multiple responses. The totals which reflect the total number of respondents to whom this particular item was applicable. (See table 16). The relative frequency shown as a percentage figure reflects the number of respondents who chose this item with respect to the total number of respondents (298). It is therefore not meaningful to indicate a column total for each of these sets of figures. Neither column totals would relate to a pre-determined basis, and would reflect no meaning.

A total of 12 respondents (4.0%) indicated that all decisions pertaining to all financial matters were referred to the local council. This figure is reflected under the item category (g) Other, in Table 16. Local councils are not found in all local communities. They are normally established in larger groups, where it is considered to be necessary because of the complexity of local government. The mode of selection of local councilors is defined in the legislative documents of the institute. Their authority and responsibility may or may not be defined, according to specific customs and traditions of particular institutes.

In this question, items (a), (b), and (c) pertained to decisions related to ordinary or routine matters. The remaining items--(d), (e), and (f)--pertained to decisions related to extraordinary matters. In the first three items, the highest percentage of respondents indicated that ordinary and routine matters are determined by the local group. The local treasurer ranks second in decision-making authority,

with 36.6% of the respondents identifying to this structure. The local superior falls third with 83 respondents (27.9%) employing this structure.

The figures recorded for items (d), (e), (f), decisions pertaining to extraordinary matters, also reveal the local group leading with 95, or 31.9% of the responses. The second in line in this situation is the general or provincial treasurer, with the local superior again falling into third position with 21 responses, or 7.0%.

Caution must be exercised prior to declaring and establishing definite trends or patterns. It should be noted again that the figures which are being analysed reflect multiple-item responses, and that a certain number of respondents have claimed more than one item, even within the sub-categories that are being considered. In so doing, certain respondents have deleted the first word "All" from the response item. This indicates that the decision-making structure, whether it be for ordinary matters or for extraordinary matters, does not follow a strict unilateral model.

Having taken into consideration the preceding observation, it is, nevertheless, possible to detect a trend for local groups to be greatly involved in the decision-making process with respect to their own financial affairs. This is a relatively recent development in the history of religious institutes, and is a direct result of the spirit of renewal which has proceeded from the Vatican II Council in the Roman Catholic Church.

In view of the diversity and multiplicity of combined or multiple-item responses, it is not possible to analyse the results of question 16 on the basis of membership. Moreover, the priests' institutes have fewer members living in "local groups," whereas this term has a very different and more important connotation for brothers and sisters. Therefore, the basis for comparison is not valid.

Question 17

What are the main duties carried out by the local treasurer in your institute (province)?

- (a) Performs bookkeeping and accounting duties exclusively;
- (b) Acts as purchasing agent for items of common household usage in local group (ex. food, toiletries, etc.);
- (c) Assumes responsibility for ordinary routine maintenance and minor repairs of the house;
- (d) Other (please specify);

The nature of question 17 again was conducive to a multiple-item response situation. The data showed only 78 respondents, 26.2% of the total, choosing one item only. The remaining 220 respondents, 73.8%, indicated that their local treasurers performed more than one of the tasks itemized. A summary tabulation combines single-item and multiple-item responses in Table 17.

TABLE 17
DUTIES OF LOCAL TREASURERS

Response Item	N	Percent
(a) Bookkeeping-Accounting tasks	217	72.8
(b) Purchasing household needs	196	65.8
(c) Routine maintenance and minor repairs	210	70.5
Non-applicable	5	1.0
Missing responses	3	1.0

Note: Column totals do not equal to the basic amounts of of 298 and 100%, due to multiple-item responses.

A comparison of the total figures for items (a), (b), and (c) does not reflect any one specifically strong trend. The strongest single figure was reported for the multiple-item response of (a)+(b)+(c), which showed a total of 129 responses. This figure is included in the figures given for each of the individual responses. It may be concluded that a slightly higher percentage of treasurers (72.8%) perform bookkeeping and accounting duties; however, they also perform purchasing tasks (65.8%) and assume responsibility for ordinary routine maintenance and minor repairs (70.5%). On the whole, the local treasurers' tasks are similar for priests, brothers and sisters, since the responses were

distributed proportionately to the membership.

Question 18

Do you have a written role description for the following positions in your institute (province)?

(a) That of the general treasurer.

Yes

No

(b) That of the provincial treasurer.

yes

No

(c) That of the local treasurer.

Yes

No

A written job description serves the purpose of defining the various aspects of a particular position. It is especially helpful in delimiting the nature of the tasks and duties which are attached to a position; in addition, it may serve the purpose of establishing the lines of authority germane to a specific position.

There exists, in Canadian religious institutes, a strong tendency to define the positions of the general and provincial treasurers. This trend is revealed in the responses provided to question 18.

There exists in Canadian religious institutes, a trend to define the higher level treasury positions. This trend is depicted in the responses which were provided to question 18, which indicate a 61.7% affirmative response for general treasurers and a 63.2% affirmative response for the provincial

treasurers. Only 17.5% of the respondents provided written job descriptions for their treasurers at the local level.

TABLE 18
WRITTEN ROLE DESCRIPTIONS FOR TREASURY POSITIONS

Response Item	General		Provincial		Local	
	N	Pct	N	Pct	N	Pct
Yes	184	61.7	188	63.1	52	17.5
No	37	12.4	40	13.4	183	61.4
Non-applicable	5	1.7	57	19.1	7	2.3
Missing responses	72	24.2	13	4.4	56	18.8
Total	198	100.0	298	100.0	298	100.0

Certain figures in Table 18 require further explanation. For the general treasurers, item "Missing Responses" originated from questionnaires to which provincial treasurers responded. There may be different reasons why this space was left blank: for instance, it is possible that the general treasurer resides in another country or continent, and that the Canadian provincial administrators do not possess such details concerning the organization of administration at the upper level; or, it may be that the provincial treasurer who was responding for his own accounting unit (as was requested in the general instructions which accompanied the questionnaire), ignored this question pertaining to general

treasurers. Also, in nine responses, the complete question was overlooked.

The 57 non-applicable responses which were recorded for the provincial treasurers' group originated from general treasurers of institutes that do not have any provinces.

A total of 56 respondents left the "local treasurer" response item blank. Further breakdown of these responses reveal that 40 (71.4%) were submitted by sisters; brothers and priests equally shared the balance with each eight responses (14.3% for each group). It is possible that a certain number of these were oversights.

Question 19

How often does the general (provincial) treasurer have formal meetings with the local (provincial) treasurers?

- (a) Annually;
- (b) Semi-annually;
- (c) Monthly;
- (d) On specific circumstances, as required for specific purposes;
- (e) Never;
- (f) Other (Please specify);

The overall purpose of this question was to determine whether the religious institutes in Canada had established formal structures to assure regular communication between the officers at the three levels of administration. Specifically,

the question required the respondents to identify the frequency of meetings held with their subalterns.

The general frequency distribution for the responses to this question clearly indicates that formal meetings are held for specific purposes, as required. These meetings may be, either on an individual basis, or with the entire groups of treasurers. The purposes expressed on the questionnaire included the annual budget preparation, special projects, and general meetings of all members during which the general or provincial treasurer addresses all members, whether or not they be directly involved in financial matters.

TABLE 19
GENERAL (PROVINCIAL) TREASURER
MEETINGS WITH SUBALTERNs

Response Item	N	Percent
(a) Annually	33	11.1
(b) Semi-annually	12	4.0
(c) Monthly	1	.3
(d) Specific circumstances	158	53.0
(e) Never	29	9.7
(a)+(d))	38	12.8
(b)+(d)	13	4.4
Non-applicable	2	.7
Total	298	100.0

A further breakdown of these figures reveals that sisters reported the lowest rate of responses under item (e) "Never." Only 14 or 7.0% of all sisters who responded chose this item. The priests' responses indicated that 15.6% of the major treasurers never met with subalterns; among the brothers, 14.3% chose item (e). This may be accounted for by the fact that a large number of sisters have structured local groups, whereas among the priests, there are fewer small communities. The sisters are considerably more numerous in their respective institutes, and this larger population would

necessitate more formal structures in order to assure efficient administrative activities and proper channels of communication.

Question 20

Are the institute's (province's) books audited by an outside agency?

- (a) Yes How often?
- (b) No

In the process of tabulating the responses to this question, the (a) responses were further subdivided in order to categorize the responses to the sub-question of "How often?"

A total of 234 general (provincial) treasurers reported that their respective books were audited by an outside agency. This figure encompasses 78.5% of all respondents, 90.2% of whom submit to an annual audit. Five respondents (2.1%), are audited by an outside agency semi-annually. The remaining 17 (7.3%) responded "yes", but overlooked the sub-question of "how often."

TABLE 20
INSTITUTE (PROVINCE) BOOKS AUDITED BY OUTSIDE AGENCY

Response Item	N	Percent
(a) Yes	234	78.6
(b) No	62	20.8
Non-applicable	1	.3
Missing responses	1	.3
Total	298	100.0

A further analysis may be made in order to identify the negative respondents. The priests claimed 35.4% of the 62 "no" responses; the brothers accounted for 14.5% of the negative replies; sisters were responsible for 50.0% of this figure. Within each membership category, the following percentages reflect the relative frequencies of negative responses for the respective groups: 34.3% of all priests; 32.1% of all brothers; and 15.1% of all sisters.

It is not reliable to conclude that sisters' groups are following the more desirable administrative practices by submitting to periodic audits by outside agencies. The fact that a large number of male-membership institutes do not submit to the outside audit can be explained, at least in part, by the fact that there are a number of men religious who hold professional accounting degrees. These public accountants may be called upon to audit books for groups who are within

the same order, but not within the same accounting entity.

Question 21

Are the province's books audited by the general treasurer?

- (a) Yes
- (b) No

The overall purpose of this question was to determine the nature and amount of control which the general treasurer exercised over the respective province's accounting records.

The question was not applicable to general treasurers who have no provinces in Canada. As stated previously, 58 of the respondents were general treasurers who did not have provinces in Canada. However, all responses are analysed on a basis of the total number of responses, that is, of 298.

The data presented in Table 21 reports a global figure of 122 for the "yes" option. A further analysis of this figure reveals that 24 respondents overlooked the sub-question "how often?" The remaining 98 may be distributed as follows, with respect to this sub-question: annually, 71; semi-annually, 17; every six years, 7; at the official canonical visit, 3.

TABLE 21
 PROVINCE'S BOOKS AUDITED BY GENERAL TREASURER

Response Item	N	Percent
(a) Yes	122	40.9
(b) No	112	37.6
Non-applicable	58	19.5
Missing responses	6	2.0
Total	298	100.0

The method of control which is being analysed in the present question is more predominant among sisters: 56.4% of the applicable cases responded in the affirmative; the brothers follow suit with 51.8% of their population utilizing this method; among the priest respondents, 38.1% reported that the province's books were audited by the general treasurer.

Although there is a marked difference among the specific responses from groups who participated to this question, the general frequencies of overall responses reflect no strong tendency either way. The "yes" responses enjoy a slight edge over the "no" responses, each showing 40.9% and 37.6% respectively.

It is impossible to ascertain with complete reliability whether all respondents interpreted this question uniformly. A small number of written comments accompanied the "yes" responses, indicating that annual reports were submitted for scrutiny by the higher authority. The act of auditing books (which was the specific object of the present question) normally implies an examination which is more thorough than that of perusing and questioning the financial statements. Therefore, the "yes" responses figure may not be completely accurate.

Question 22

Are the local treasurer's books audited by the general (provincial) treasurer?

- (a) Yes How often?
- (b) No

The hierarchical model of administration under which religious institutes operate cannot be functional unless clear-cut mechanisms are established to assure regular communication between the levels of the hierarchy. Question 22 pursues the objectives of the two previous questions 20 and 21, by seeking to identify the extent of control exercised by the general (provincial) treasurer over the local treasurer's performance.

There is reason to believe that this question may have

posed a problem for some of the respondents. A number of the "yes" responses included a written annotation stating "annual reports." In addition, 17 respondents (5.7%) did not choose the "yes" item, but simply wrote the words "annual reports." These responses are reflected under the "other" response item in Table 22.

TABLE 22
LOCAL TREASURERS' BOOKS AUDITED BY
GENERAL (PROVINCIAL) TREASURERS

Response Item	N	Percent
(a) Yes	192	64.5
(b) No	80	26.8
Other	17	5.7
Non-applicable	5	1.7
Missing responses	4	1.3
Total	298	100.0

The data reports a 64.5% response indicating that local treasurer's books are audited by the upper level of administration. The figures which were reported under the subquestion "How often" provide further insight into this question. The figure of 192 recorded for the "yes" responses consists of the following: 61 (20.5%) reported yes, but failed to indicate how often; 86 (28.9%) indicated their

local treasurers' books were audited annually; 33 (11.1%) submit to a semi-annual audit; the remaining 12 (4%) are audited monthly.

These figures reflect a rather structured organizational model. However, the same caution must be exercised in question 22 as was pointed out in the previous question. There is not complete certainty that the term "audited" was interpreted in its true accounting significance. Therefore, the figures reflected in the "yes" figure may not be completely valid. The "no" respondents have presumably interpreted the term "audit" as it was meant to be.

An analysis of the data on the basis of membership shows the priests rank highest among the groups who do not submit their local treasurers' books to audit by the upper administrative level: 49.2% of the priests who responded to this question chose the "no" item; 21.8% of the responding sisters and 21.4% of the responding brothers also chose this item. These figures must be interpreted in the context which was mentioned previously, namely, that priests have fewer local communities than do sisters and brothers.

Conclusion

The general purpose of the fifteen questions which were analysed in this chapter was to identify the decision-making structure of religious institutes with respect to financial matters.

The questions may be grouped on the basis of four

major themes, within the general topic stated previously; the summary conclusions for the present chapter are presented under these four themes.

1. Selection of financial treasurers (questions 07 through 09; question 15).

Although the majority of general (provincial) treasurers are not elected members of their respective councils, they are, nonetheless, called upon to attend council meetings where financial questions are discussed. Qualifications of treasurers are defined in very broad terms in 38.9% of the responding institutes. Local treasurers are selected in democratic manners.

2. Decision-making structure and scope of authority of general (provincial) treasurers; (questions 11 through 13; question 16).

Although the majority of general (provincial) treasurers do not work with financial advisory committees, those who do so select among a wide range of lay professionals to assist them in the more important financial decisions of the institute.

3. Qualifications, tasks, and responsibilities of religious treasurers (questions 10, 14, 17, 18).

Tasks of general (provincial) treasurers are diversified; however, the majority of them do perform bookkeeping-accounting tasks or supervise the staff who support them in these tasks. They also oversee all major

construction and repair projects. Local treasurers are responsible for bookkeeping-accounting tasks, purchasing, and routine maintenance.

4. Mechanisms establishing structured lines of communication and efficient control between upper and lower levels of administration. (Questions 19 through 22).

A large percentage of religious institutes submit to annual audits of their books by outside agencies. General (provincial) treasurers meet with their local counterparts on special occasions, as required. General (provincial) treasurers exercise close control over local treasurers activities.

The data reported in this chapter revealed that the hierarchical model of administration is predominant in religious institutes. The responsibilities, tasks and scope of authority are evidently well defined and clearly outlined at each level of administration. On the whole, the democratic process is being gradually introduced and members have some input in the selection of their financial officers. The upper levels of administration exercise close control over the lower levels.

CHAPTER V

PLANNING AND BUDGETING

Religious institutes are unique types of non-profit organizations in terms of their special objectives. Members of a religious institute choose the "common life" in order to actualize a special covenant. Frequently, the personal commitment is realized in a tangible manner through the apostolate service within the Church. In order to arrive at their personal and common goals, members of religious institutes are entrusted with financial resources of which they become stewards, and to dispose of them for purposes which are congruent with their objectives. In order to arrive at judicious and equitable use of limited financial resources, members of religious institutes must set priorities and define objectives. According to the LCWR/CSMS Manual, the general membership should be engaged in the financial planning process.

The primary responsibility for the appropriate use of the financial resources of a religious institute rests with the membership at large. ... A budget is a financial plan showing how resources are to be acquired and used over a specified time interval, usually a fiscal year.

... Planning is the process of identifying our goals and objectives and then of adopting programs to achieve these objectives. It selects a plan which allocates limited resources to specific objectives.

The data to be analysed in the present chapter originated from questions 23 through 34, which were included in Part III of the survey instrument under the sub-heading of Planning and Budgeting Systems.

Objective of Questions

The general objective of the questions which are considered in the present chapter was to determine whether the planning and budgeting activities were part of the overall financial management process in Canadian religious institutes.

The secondary objective of questions 23 through 34 was to define the budgeting process structure; more specifically, the questions sought to identify the degree of involvement and participation of the various segments of the institute in the budgeting process.

The information gathered from questions 23 through 34 will be analyzed in the present chapter. The statistical analyses will include the general frequency distribution, as well as the relative frequencies.

¹LCWR/CMSM, Religious Institute Financial Management and Accounting Manual, VI-4, VI-2.

Question 23

Does your institute (province) prepare an annual budget (projection of revenue and expenses)?

- (a) Yes (go to question 24)
- (b) No (go to question 27)

The annual budget, or projection of revenue and expenses, is an instrument which provides the management team with required information concerning availability of financial resources for projected activities. It also provides essential data which are frequently determinant factors in the setting of priorities.

Religious institutes in Canada showed a strong tendency to the practice of preparing the annual budget. The data, as recorded in Table 23, reported 216 respondents in the affirmative, claiming 72.5% of the total responses.

The distribution of the 80 negative responses showed sisters accounting for 58 (72.5%) of these; the priests were responsible for 16 (20.0%); and the brothers claimed the remaining 6 (7.5%). Contrary to what may be expected, a strong segment of the negative responses originated from active institutes: 68 (85%) of the 80 "no" responses.

TABLE 23
 PREPARATION OF ANNUAL BUDGET AT
 INSTITUTE (PROVINCIAL) LEVEL

Response Item	N	Percent
Yes	216	72.5
No	80	26.8
Missing responses	2	.7
Total	298	100.0

A further analysis within the membership categories showed that 73.8% of the responding priests prepared an annual budget; a strong percentage (78.6%) of the brothers adhered to the practice of preparing an annual budget; and 70.2% of the sisters prepared a budget at the institute (provincial) level.

The respondents who claimed the "no" item to question 23 were not required to react to questions 24 through 26, since the object of these pertained to the preparation of the annual budget.

Question 24

By whom is the overall institute's (province's) budget prepared?

- (a) By the general (provincial) treasurer exclusively;
- (b) By the chartered accountant exclusively;
- (c) The general (provincial) treasurer prepares the entire budget with the assistance of the financial advisory committee;
- (d) The general (provincial) treasurer prepares the budget, assisted by the chartered accountant;
- (e) The members of the general (provincial) council prepare the budget;
- (f) The general (provincial) treasurer integrates the information provided in the province's (local groups') budgets, completes the budget for the overall institute (province) and submits it to the general (provincial) council;
- (g) The general treasurer discusses and prepares the institute's budget with the provincial (local) treasurers;
- (h) The provincial treasurer and the local treasurers discuss and prepare the province's annual budget together;
- (i) Other (please specify):

Budget preparation in religious institutes may be approached in various ways. The response items which were included in question 23 offered to respondents a series of eight possible approaches to the preparation of their annual budget.

TABLE 24
PREPARATION OF INSTITUTE (PROVINCE) ANNUAL BUDGET

Response Item	N	Percent
(a) By general (provincial) treasurer	32	10.7
(b) By the chartered accountant exclusively;	3	1.0
(c) By the general (provincial) treasurer with assistance of financial advisory committee;	21	7.0
(d) By the general (provincial) treasurer assisted by chartered accountant;	10	3.3
(e) By the members of general (provincial) council;	12	4.0
(f) General (provincial) treasurer integrates information from province's (local) budgets, completes budget for institute (province) and submits it to general (provincial) council;	151	50.7
(g) General treasurer prepares institute's budget with the provincial (local) treasurers;	7	2.3
(h) Provincial treasurer and local treasurers prepare province's annual budget;	11	3.7
(i) General (provincial) treasurer prepares overall budget and submits it to respective council for approval;	13	4.4
Non-applicable	80	26.8
Missing responses	2	.7

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-response items.

The number of single-item responses to this question totalled 158, from 53.0% of the respondents. The multiple-item responses accounted for 47 of the replies, and comprised a series of 18 various combinations of items. The remaining 80 (26.8%) were the non-applicable who responded negatively to question 23.

The strongest single figure in Table 24 was the (f) item, which showed the treasurer integrating the information received from subaltern groups' budgets, completing the overall budget and submitting it to the appropriate council. One institute reported that the local treasurers prepared their respective budgets, and presented it themselves to the general council; three others reported the treasurer prepared the budget with the major superior, and subsequently presented it to council; one reported the provincial superior and council prepared the budget with information provided by the provincial treasurer. These are all variations that reflect one basic trend, and that is, in very few instances did one person exclusively prepare the institute (province) budget. The single item of (a), which stated that the general or provincial treasurer exclusively prepared the budget, claimed 13 responses from 4.4% of the population; the single-item (b) which stated that the chartered accountant exclusively prepared the budget reported one response only (.3%). Therefore, it may be concluded that the preparation of the overall budget (institute or province) is a concerted effort of various segments of the organization.

Further analysis of the (f) item, which reported the highest proportion of responses, showed that 109 of the 151 total were single-item responses, that is, the respondent chose this item only, for question 24. On the basis of membership, the 109 figure was distributed as follows: 21 came from priests (19.3%); 9 were from brothers (8.2%); and the remaining 79 were from sisters (72.5%). These figures showed a higher proportion for sisters, in relation to the percentage of the total population which this group claimed. However, the organizational structures of sisters favors this procedure, since they have a larger number of local groups.

Question 25

How does the general (provincial) treasurer or council inform the members of the institute (province) of the budget or financial projections for the given period?

- (a) By a general meeting of the local treasurers and/or local superiors;
- (b) By a general meeting of provincial treasurers and/or provincial superiors;
- (c) By sending a copy of the institute's budget to each local (provincial) group;
- (d) Members are not informed at all concerning the institute's (province's) budget;
- (e) Other (please specify):

The data reported in question 24 indicated that the preparation of the global budget was a concerted effort, combining input from various persons associated to the overall

administration. (See Table 24, page 97). The purpose of question 25 was to determine whether the general membership had access to the information which was contained in the institute's financial projections for a given fiscal period.

TABLE 25
METHOD OF DISTRIBUTION OF INSTITUTE (PROVINCE)
BUDGET INFORMATION TO MEMBERS

Response Item	N	Percent
(a) By general meeting of local treasurers and/or local superiors;	27	12.4
(b) By general meeting of provincial treasurers and/or provincial superiors;	2	.9
(c) By sending copy of institute (province) budget to local (provincial) group;	61	28.0
(d) Members are not informed;	97	44.5
(e) By various types of meetings between members of all levels;	23	10.6
Missing responses	8	3.6
Total	218	100.0

Of the 218 respondents who reported that they prepared a budget at the institute (province) level, 97 (44.5%) indicated that the financial projection information was not transmitted to the general membership. Through various types of meetings, either with local treasurers, local superiors

(item a); provincial treasurers, provincial superiors (item b); or other groups, (item e), the general (provincial) treasurers shared the budgetary information. This procedure encompassed 52 (23.9%) of the respondents. Item (e) included meetings with individual local groups, meetings with general membership and meetings with selected groups of the membership. The approaches and methods used to diffuse the information were varied, but basically they reflected individual philosophies and were based on needs and availability of resources.

A further analysis of item (d), which stated that members were not informed of the financial projections for the overall institute (province), indicated that sisters identified with 77 of these, 79.3%. Priests and brothers shared the remaining 20 responses rather disproportionately, with 17 (17.5%), and 3 (3.1%) respectively.

Question 26

How do the provinces participate in the preparation of the overall institute's budget?

- (a) By submitting the province's budget for integration in the institute's budget;
- (b) On a consultation basis only;
- (c) Not at all;
- (d) We do not have any provinces;
- (e) Other: (please explain)

The purpose of question 26 was to determine whether the hierarchical model of administration was in operation in the process of budget preparation. The specific objective was to identify the extent of the provinces' participation in the preparation of the overall institute's budget.

In question 05, it was found that 77 of the responses originated from general treasurers. (See Table 05, page 47). Of this number, 19 reported that they had provinces in Canada. In question 06, 79 of the provincial treasurers indicated that their superior general was in Canada.

The percentage figures reported in Table 26 are based on the total of the 218 respondents who stated that they prepared a budget at the overall institute (province) level. The predominant practice is reflected in response item (a), which identified those provinces who participated in the

preparation of the institute's budget by submitting their individual budgets for integration in the global financial projections.

TABLE 26
PARTICIPATION OF PROVINCES IN PREPARATION
OF INSTITUTE BUDGET

Response Item	N	Percent
(a) By submitting province's budget for integration in institute budget;	88	40.4
(b) On consultation basis only	21	9.6
(c) Not at all	53	24.3
(d) We do not have provinces;	43	19.7
Missing responses	13	6.0
Total	218	100.0

Item (c) reported that 53 provinces (24.3%) did not participate at all in the preparation of the overall institute's budget. The sisters' groups were predominant in this response item with a total of 28 (52.8%); priests followed with 14 (26.4%) responses; and brothers claimed 11 (20.7%) of the total 53.

An analysis of the respondents who chose item (a), showed that the sisters were predominant in choosing this item with 69 (78.4%) of the responses. Priests claimed 14

(15.9%) and brothers had only 5 (5.7%) of the remaining (a) responses.

Therefore, it is seen that the sisters' groups take precedence in both the (a) response item and the (c) response item which reflect divergent methods. However, a further analysis within the sisters' responses indicated that the larger number (69 of the 111 applicable cases, 62.1%) chose the (a) item, in which they participated to the preparation of the overall budget by integrating their own provincial budget figures to the global amounts.

It is evident therefore that the hierarchical model of administration is more prominent in sisters' groups with respect to the preparation of the institute budget.

Question 27

Are local groups required to prepare an annual budget?

- (a) Yes (go to question 28)
- (b) No (go to question 29)

The overall financial system of an organization is essentially composed of sub-systems which reflect the operations of segments of the main organization.

The local group is an accounting unit, a segment of the main system or accounting entity. Local groups may experience various degrees of independence or autonomy, according to the customs, traditions, or particular laws of a

specific institute. However, they ultimately have some degree of accounting relationship with a higher level of authority.

The purpose of question 27 was to establish whether there existed any type of financial projections procedure at the local level. A large proportion of the institute's revenues is generated at the local level, where members normally contribute their salaries; on the other hand, this level of administration normally absorbs the larger proportion of operating expenses, since it is directly responsible for the care and maintenance of members.

TABLE 27
ANNUAL BUDGET REQUIRED AT LOCAL LEVEL

Response Item	N	Percent
(a) Yes	220	73.8
(b) No	70	23.5
Some groups do	2	.7
Non-applicable	3	1.0
Missing responses	3	1.0
Total	298	100.0

The data reported that 220 (73.8%) institutes or provinces required their local groups to prepare an annual

budget. (See Table 27). In two cases, it was noted that there is not uniform practice, and that some groups do prepare an annual budget, whereas others are not required to do so. In both instances, it was pointed out that the retirement houses and/or infirmaries were not required to submit financial projections for any given period.

An analysis of the negative responses indicated that 24.6% of the priests' institutes do not require their local groups to prepare an annual budget, as compared with 20.8% of sisters and 25% of brothers who also responded negatively to this question.

A further analysis of the 70 negative responses reflected the following distribution of respondents: priests provided 21 (30%) of these; brothers claimed 7 (10%) and sisters were responsible for 42 (60%) of the "no" items. This distribution differs from the basic distribution of total responses (see Table 03), where priests account for 21.8% of the population. Therefore, proportionately, priests are predominant in the local groups that are not required to prepare annual budgets. These figures provide further confirmation concerning the local structures of priests, namely, that they have fewer formally structured local groups than do sisters.

Question 28

By whom is the local groups' annual budget prepared?

- (a) By the local treasurer only;
- (b) By the local superior only;
- (c) By the local treasurer and local superior;
- (d) By the members of the local group;
- (e) Other: (please specify):

The data which were reported in questions 15, 16 and 17, and which were reflected in the respective tables, considered aspects of the financial structure and treasury function at the local level. In question 28, another dimension of the financial activities is considered in the preparation of the local budget.

The base figure for the data analysis in this question is 222, the number of institutes who responded that they required local groups to prepare annual budgets. However, question 28 generated multiple-item responses from 53 of the respondents (24.1%). Consequently, the column totals will not amount to 222 or to 100%. (See Table 28).

TABLE 28
PREPARATION OF ANNUAL BUDGET AT LOCAL LEVEL

Response Item	N	Percent
(a) By local treasurer only;	36	13.2
(b) By local superior only;	10	4.5
(c) By local treasurer and local superior;	63	28.4
(d) By members of local group;	165	74.3
(e) By local council	18	8.1
Missing responses	2	.9

Note: The base figure for the N column is 222, number of respondents who require local groups to prepare annual budgets.

An additional response item was added to the four which originally appeared on the questionnaire. Item (e) reflected the responses concerning local councils. These were mentioned in 18 (8.1%) of the responses.

The data recorded in Table 28 showed item (d) as the strongest response; as a single-item response, it was selected by a total of 125 institutes. These figures suggest a strong trend in local groups to involve the members in the preparation of the annual budget. Item (a) gathered 15 single-item responses, while item (b) gathered 2 single-item responses. These figures confirm the trend which proceeds from the responses in item (d), namely, that the preparation of the annual budget is a communal activity, and in very few

instances is it the sole responsibility of the treasurer or of the superior.

The distribution of the responses for the (d) item was proportionate to the distribution of the population on the basis of membership.

Question 29

How do the local groups participate in the preparation of the overall institute's (province's) budget?

- (a) By submitting the local budget for integration in the overall institute's (province's) budget;
- (b) On a consultation basis only;
- (c) Not at all;
- (d) Other: (Please specify)

The data recorded in question 23 indicated that 216 of the respondents prepared annual budgets at the institute (province) level. Thus, the base figure for the analysis of responses in question 29 was 216 and not the 298 total population.

The figure of 168 recorded under item (a) in Table 29 indicated that in 77.8% of the institutes for whom this question was applicable, the local groups participated in the preparation of the overall budget by submitting the local budget for integration in the overall projections. These figures were another manifestation of the hierarchical model of administration in operation. In terms of the levels of

administration, and of decision-making, the local level is the lowest of the possible three levels. The higher provincial and general levels therefore solicit input from the lower groups in the preparation of the financial projections for a given period.

TABLE 29
PARTICIPATION OF LOCAL GROUPS IN PREPARATION
OF INSTITUTE (PROVINCE) BUDGET

Response Item	N	Percent
(a) By submitting local budget for integration in overall budget;	168	77.8
(b) On consultation basis only	19	8.8
(c) Not at all	27	12.5
(d) Other	2	.9
Total	216	100.0

Note: The base figure for the N column is 216, number of respondents who prepare annual budgets at institute level.

As stated previously, the local groups are usually the strong revenue-generating units of the institute, as well as the higher operational-expense units. Disbursements related to capitalization are normally made by higher authorities.

Further analysis of the (a) item responses revealed that sisters claimed the highest percentage of the 168 figure

with a total of 121, or 72.0%; priests followed with 30, or 17.9%; brothers were responsible for 17, or 10.1%. These percentages are congruent with the results from previous questions which dealt with matters of local interest. Sisters' institutes are more structured than are priests' groups in terms of local groups.

Question 30

Do your individual members prepare a personal budget?

(a) Yes

(b) No

During the decade which followed the Council Vatican II (1962-1965), a great deal of emphasis was placed on the "aggiornamento" of religious life; that is, attempts were made to give it new meaning and to modernize its practices. The concept of religious poverty and its observance came under close scrutiny. In 1970, Baumann wrote:

A personal budget is an experiment which requires complete knowledge and an understanding of what is involved in religious poverty and then the freedom of choice in opting to secure a material object or to refrain from securing it.²

The initial purpose of introducing personal budgets in communal living was predominantly religious

²Baumann, Ursula, "The Sister's Personal Budget," Review for Religious, Vol. 29, January, 1970, p. 53.

poverty rather than economic consideration. (Economy and poverty are easily confused). Such was the context in which personal budgets were originally introduced into religious institutes.

However, the purpose of question 30 remains within the general purposes of the study, namely, to identify the financial management procedures of Canadian religious institutes. For, notwithstanding the above religious considerations, the personal budget does become an important element of the overall communal plan for the allocation of available funds.

The replies to question 30 indicated that 172, or 57.7%, of the responding institutes required their members to prepare an annual personal budget.

(See Table 30).

TABLE 30
MEMBERS REQUIRED TO PREPARE PERSONAL BUDGETS

Response Item	N	Percent
(a) Yes	172	57.7
(b) No	98	32.9
Selected members - yes	22	7.4
Missing responses	6	2.0
Total	298	100.0

In the course of computing the data from question 30, a distinct item was created to provide for the respondents who require selected members to prepare a personal budget, whereas the entire membership is not required to do so. Among these selected members, are the religious who are temporarily living in isolation of a communal group for reasons of apostolate, studies, etc. The findings reported 22 such institutes, 7.4% of the total respondents.

A breakdown of the responses from item (b) on the basis of membership groups indicated that 53.8% of the priests institutes do not require their members to prepare an annual personal budget; sisters groups showed 42.8% in this negative category; while brothers were the lowest with 23.9%. It should be noted that responses received from the 15 participating monastic institutes (priests, brothers and sisters) recorded 14 of the negative replies to this question, representing 93.3% of the total 98.

A further analysis of the data showed that sisters accounted for 139 (80.8%) of the "yes" responses; priests claimed 18 (10.5%); and brothers provided 15 (8.7%) of these responses.

Question 31

How do the individual members participate in the preparation of the local groups' budget?

- (a) By submitting their own personal budgets (forecasts of expenses and revenue) to the local superior for integration into one overall group budget;
- (b) On a consultation basis only;
- (c) Not at all;
- (d) Other (please explain);

The annual budget of a local group is a formal plan for the equitable allocation of available funds for a given period. Since all members are involved in revenue and expenditures, all members must develop some sense of responsibility toward the budgetary process. Yet, this judicious and equitable use of restricted funds is the concern of each member of a community, not only for economic reasons, but mainly for evangelical reasons:

While making necessary provisions for their livelihood and undertakings, religious should brush aside all undue concern and entrust themselves to the providence of the Heavenly Father. (Cf. Mt. 6:25).³

The data recorded in the responses to question 27 indicated that 220 institutes required all their local groups to prepare an annual budget. The base figure for N in the analysis of responses for question 31 will therefore be 220,

³Vatican II Council, Perfectae Caritatis, p. 13.

and not the 298 total population.

TABLE 31
PARTICIPATION OF MEMBERS TO PREPARATION
OF LOCAL BUDGET

Response Item	N	Percent
(a) By submitting personal budgets for integration in group budget;	168	76.3
(b) On consultation basis only	40	18.4
(c) Not at all	5	2.2
(d) Discussion at local community meeting;	7	3.1
Total	220	100.0

Note: The base figure for N is 220, number of institutes where local groups are required to prepare annual budgets.

By submitting personal budgets for integration in the groups' budget (see item "a", Table 31), each member has an opportunity to consider his/her own needs in light of the communal dimension. The data recorded 174 respondents for this item in question 31. The high percentage of 76.3 is indication that this practice is predominant among religious institutes. The distribution of these responses showed sisters' institutes with 138, 82.1%, of the 168 responses; the remaining 30 responses to item (a) were shared between priests, 14 (8.3%) and brothers, 16 (9.5%).

A further analysis of the figure 168 recorded for item

(a) indicated that 68% of the sisters' institutes advocated this practice. These figures are consistent with the situation which has reflected in previous findings for previous questions, namely, that sisters' institutes showed a more structured organization of local houses.

An additional item was recorded under the (d) "Other" category in the process of data computation. The practice of "discussing the local budget at local community meetings" was reported by 7 respondents (3.1%) in annotations. This process implied a larger degree of involvement and participation than that which was intended in response item (b).

Question 32

How is each member's personal allowance or petty cash fund determined? (Cash given to members for various personal purposes).

- (a) According to the member's personal budget based on individual needs;
- (b) According to a fixed amount, predetermined for the overall institute (province);
- (c) The members are not allotted personal or petty cash funds;
- (d) Other (please specify):

The responses to questions 30 (see Table 30, page 112) and 31 (see Table 31, page 115) established the fact that individual members are involved, to some extent, in the budgetary process of their local groups: by preparing personal

budgets and by participating in the preparation of the communal budget for the local group. Among the elements included in the local budget are the members' sundry needs. The purpose of question 32 was to determine the method through which local groups provided funds to the individual members for these sundries.

TABLE 32
METHOD OF DETERMINING MEMBERS' PERSONAL ALLOWANCE

Response Item	N	Percent
(a) According to personal budget, based on individual needs;	177	59.4
(b) According to predetermined fixed amount, uniform for entire institute (province);	40	13.4
(c) Members are not allotted personal funds;	43	14.4
(d) According to individual needs	19	6.4
(e) According to fixed amount determined by local group	13	4.4
Non-applicable	2	.7
Missing responses	4	1.3
Total	298	100.0

In the process of computation, it was found that two of the response items required further specification. Item (a) included the element of "personal budget" in the

determination of individual needs. In the responses, it was found that 19 institutes (6.4%) allotted personal allowances simply on the basis of individual needs, without reference to the personal budget. Replies included in this category were four which indicated that members requested funds as specific requirements arose.

Response item (b) specified that the predetermined fixed amount was uniform for the entire institute (province). The data reported that in 13 (4.4%) institutes, the personal allowance was based on a fixed amount, determined by the local group. It was felt that this category of responses did not fully correspond to item (b); hence, a separate category was created to provide for these 13 responses.

Analysis of the data reported in item (a) showed 177 (59.4%) of the institutes allotting personal allowances on the basis of individual needs, according to personal budget. These responses were predominant in sisters' groups who claimed 137 (77.4%) of them; priests followed with 22 responses (12.4%); and brothers were responsible for the remaining 18, (10.2%).

Included in the 43 responses for item (c) those institutes whose members are not allotted personal funds, were 15 (34.9%) from priests; 1 from brothers (2.3%), and 27 (62.8%) from sisters. In proportion to the distribution of the total population, the priests' groups led this category of responses with 34.9% of the total priest respondents choosing it.

Question 33

In planning various individual apostolate projects or specific activities, how are the financial needs and implications taken into consideration?

- (a) By preparing individual or supplementary budgets for each project;
- (b) By integrating all apostolate needs in one global budget at the institute (province) level;
- (c) Each local group is responsible for the financial implications of its apostolate projects;
- (d) Other (please specify);

The purpose of question 33 was to identify the method employed in dealing with the financial planning of specific apostolate projects. The subject of the question was intentionally directed to specific, individual projects, since regular and ongoing apostolates would bear different meaning.

The responses to question 33 included multiple-item responses. In 6 cases, the (a) + (b) methods were employed; in 11 cases, the (a) + (c) methods were employed; and in 16 cases, the (b) + (c) methods were employed. This is not contradictory, since the question involved procedure, it is possible that in some instances the procedure was not strictly uniform and that a different method may be employed, according to circumstances and situations. In Table 33, however, these responses were tabulated by adding them to each item; (e.g., the (a) + (c) responses figure was added to

both individual response items (a) and (c). Therefore, the column totals in Table 33 will not be equal to the basic figures of 298 (total population) and 100%. The figures recorded under each item represent the number of respondents who employ that specific method, whether it be employed exclusively or in conjunction with another method.

TABLE 33
FINANCIAL IMPLICATIONS OF SPECIAL APOSTOLATE PROJECTS

Response Item	N	Percent
(a) Individual or supplementary budgets for each project;	67	22.5
(b) All apostolate needs integrated in global budget at institute (province) level;	86	28.9
(c) Apostolate projects local responsibility;	152	51.0
Non-applicable	12	4.0
Missing responses	14	4.7

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-item responses.

The findings for question 33 reported that 152 institutes (51.0%) considered each local group was responsible for the financial implications of its apostolate projects. This figure revealed a meaningful trend toward decentralization in this specific dimension of financial management.

The distribution of the figures reported under item

(c) revealed 40 of them (26.1%) were from priests; 13 (8.5%) from brothers; and the remaining 100 (65.4%) from sisters.

In relation to the distribution of the entire population, these figures showed priests to have a slightly higher proportion of the responses. Further analysis within each group indicated that 61.5% of all responding priests employed the method identified in item (c); the brothers reported 46.4% of their institutes in this category; and 48.7% of the sisters' institutes made up the balance of these responses.

The figure recorded under item (b) is meaningful: 86 (28.9%) of the institutes centralize all financing of apostolate projects at the higher level of administration. The distribution of these 86 responses showed sisters with 61 (70.9%); brothers, 9 (10.5%); and priests, 16 (18.6%).

Among the 12 non-applicable responses were 6 contemplative orders of sisters who were not engaged in active apostolic activities; other respondents stated their apostolate organization was not congruent with this question. One sisters' institute indicated they were presently studying this question.

Question 34

In all of your budgets, at the level of the institute, the province or the local group, do you stipulate a percentage of acceptable variance within which actual expenses may exceed approved budget amount? (Ex. actual expenses may exceed the approved budget amount by X% without requiring supplementary budget approval).

- (a) Yes. What is this percentage?
- (b) No. All variances from approved budgets (overspent items) must be submitted for approval of supplementary budget.

The practice of stipulating a percentage of acceptable variance within which an organization's expenses may exceed approved budgeted amounts is a means of control. It may be less crucial in religious institutes as it is in profit-seeking enterprises. The purpose of question 34 in the present study was to determine whether this method of control was practiced in religious institutes. The data reported that 204 of the responding institutes (68.5%) did not stipulate a percentage of acceptable variance within which actual expenses may exceed budgeted amounts without requiring supplementary budget approval. (See Table 34).

TABLE 34

STIPULATED PERCENTAGE OF ACCEPTABLE VARIANCES IN BUDGETS

Response Item	N	Percent
(a) Yes	43	14.4
(b) No	204	68.5
(c) Non-applicable	31	10.4
Missing responses	20	6.7
Total	298	100.0

The purpose of question 34 was to determine whether this method of control was practiced in religious institutes. The data reported that 204 of the responding institutes (68.5%) did not stipulate a percentage of acceptable variance within which actual expenses may exceed budgeted amounts without requiring supplementary budget approval. (See Table 34).

Item (a) responses recorded 43 religious institutes do stipulate a percentage of acceptable variance. In the sub-question "What is this percentage?", responses ranged from 5% to 25%, with one response for each of the extreme figures. The average rate was 12.9%, with 10% as the mode.

Written comments (11) accompanied both the (a) and the (b) responses. These comments provided further explanation to the response item selected. Examples were given of budget

expense items which are not included in the stipulated percentage of acceptable variance and which, if exceeded, required written authorization from the higher authority. If the province's budget is overspent on these specific items, the generalate must grant written permission for allotment of supplementary funds; if the variance occurs in the local group's budget, the provincial office must grant written permission.

The distribution of the "yes" items (43) was as follows: priests, 8 (18.6%); brothers, 4 (9.3%); and sisters, 31, (72.1%).

Conclusion

The purposes of the questions in Chapter IV were: (1) to identify the importance of the planning and budgetary activities in Canadian religious institutes and (2) to determine the degree of involvement and participation of the various segments of the institute in these activities.

(1) The first objective was realized through the data analysed in this chapter. It was found that annual budgets were used as a planning tool at the various levels of administration: 72.5% of the respondents prepared budgets at the institute (province) level; in addition, 73.8% of respondents required local groups to prepare annual budgets; 57.7% required individual members to submit personal financial projections.

This chapter also reported data showing that in 59.4%

of the institutes, the members' personal allowance was based on individual needs in terms of budgeted projections.

(2) The second objective was also realized through the questions which dealt with the participation of the persons involved at each level of administration, (or accounting units) in the budgetary and planning process. In 50.7% of the responding institutes, the upper-level annual budget (institute or province) was prepared by the major treasurer, who integrated the information received from the subordinate levels, completed the overall budget which was ultimately submitted to the appropriate council for approval. Provinces participated in the preparation of institute's (upper level) annual budgets by submitting their own for integration in 40.4% of the responding institutes. At the local level, 74.3% of the institutes solicited participation of members in the preparation of their respective local groups' annual budgets. In turn, the local groups provided input to the preparation of the institute (province) budget by submitting their own groups' budgets for integration in the overall upper-level financial projections, in 77.8% of the cases.

In summary, the data clearly indicated that financial planning and budgeting were an important segment of the religious institutes' financial management activities. There were evidently structured channels of communication and active participation at all levels of administration insofar as budget preparation is concerned.

CHAPTER VI

MANAGEMENT OF ASSETS

Assets are things of value owned. In business, they are acquired and used with the expectation of future benefit. Normally, assets will contribute to producing profit. In a non-profit organization, such as the religious institute, assets may be acquired or held, but not for profit-seeking motives. They contribute to the realization of the institute's objectives or specific purposes.

Objective of Questions

The purpose of the six questions analysed in the present chapter was to identify the accounting procedures and management practices which Canadian religious institutes employ with respect to their assets, both current and long term. These purposes will be achieved through the findings contained in the responses to questions 35 through 40.

Question 35

How is your cash fund administered?

- (a) Each local group administers its own bank account; authorizations for signatures are given by the corporation.
- (b) All cash from all groups is deposited into one central account from which distribution is made to local groups from central treasury, as required;
- (c) Other (please specify);

The purpose of this question was to determine the extent to which the administration of the cash fund was decentralized. The local groups are the principle revenue-generating units in a religious institute. They are also the most important operating-expense units, since the maintenance cost of the members ranks high among the ordinary expenses of a religious institute. Therefore, the management of the cash fund becomes an important question.

The data reported for this question were clearly indicative of a strong trend toward the decentralization of cash funds. In 261 responding institutes (87.7%), each local group administers its own bank account. However, there is still some amount of control from the major administration, since the authorizations for signatures must be given by the corporation.

TABLE 35
ADMINISTRATION OF CASH FUND AT LOCAL LEVEL

Response Item	N	Percent
(a) Each local group administers its own bank account;	261	87.7
(b) All groups deposit all cash in central account; distribution made from central treasury;	29	9.7
(c) (a)+(b)	6	2.0
Non-applicable	1	.3
Missing responses	1	.3
Total	298	100.0

An additional response item was created for this question during the computation process, namely, the (a)+(b) item. In 6 institutes, there is use of both methods. This is possible where all revenue is deposited into one central account (savings) and transfers are made from this account to the institute's current account, and from there to the current accounts of the local groups. Income is redistributed monthly by the general (provincial) treasurer on the basis of budgetary requests. Although the number of responses for this combined response was minimal (6), it was felt that they should be identified separately, since they did not truly relate strictly to either of the individual (a) and (b) items.

An analysis of the distribution of responses for item (b) revealed that priests and brothers both reported 5 of these (17.2%) and sisters claimed the remaining 19 (65.5%).

Further analysis made within each membership group for the (a) response item, indicated that 88.7% of the sisters' institutes adhered to this practice. Among the priests, 87.7% of the responding institutes claimed item (a); the brothers also strongly advocated the local groups' administering their own bank accounts, since 82.1% of their institutes chose item (a) in question 35.

Question 36

Do you maintain an inventory file of all furniture and equipment which is in each of your local houses?

(a) yes

(b) No

The main purpose of question 36 was to further identify the degree of centralization and of control exercised by the major administration over the ordinary activities of the local houses. Normally, any important acquisition or disposal of furniture and/or equipment at the local level, would either presuppose or imply a permission from a higher authority; this permission could be encompassed in a budgetary approval, or require a special written requisition to be signed by the proper authorities. The maintaining of a centralized inventory would provide an element of control over these

purchases and disposals, in terms of religious poverty as well as in terms of management of assets. However, a more important feature of the centralized inventory for furniture and equipment is that it provides accurate accounting information which is readily available when required.

TABLE 36
CENTRALIZED INVENTORY FILES FOR FURNITURE
AND EQUIPMENT OF LOCAL HOUSES

Response Item	N	Percent
(a) Yes	177	59.4
(b) No	117	39.2
Non-applicable	2	.7
Missing responses	2	.7
Total	298	100.0

The findings in question 36 revealed that 177 institutes (59.4%) maintained a centralized inventory file of all furniture and equipment contained in their local houses. There was a 20% margin in the responses for this item over the responses for item (b), which stated that 117 institutes (39.2%) did not maintain such an inventory. (See Table 36).

The distribution of the responses showed that sisters' institutes claimed the largest proportion of the (a) items with 146 (82.5%); priests' institutes followed with 17,

(9.6%) and brothers had the remaining 14 (7.9%).

The analysis of the responses within the membership groups revealed that 72.0% of the responding sisters' institutes maintained centralized files of furniture and equipment of local houses; 50% of brothers and 26.6% of priests employed the same method. It should be noted that sisters have, proportionately, a larger number of local groups, so that it is quite normal that they should show a larger percentage of responses for this question.

Question 37

Do you record depreciation expenses?

- (a) For all real estate property only;
- (b) For all the assets, to which depreciation charges may apply;
- (c) For automobiles and equipment only;
- (d) Not at all;
- (e) Other (please specify);

In profit-seeking enterprises, the purpose of recording depreciation expenses on fixed assets is to assure the accurate matching of revenue and expenses for a given fiscal period. In non-profit organizations, this element is not always essential. According to Gross,

Fixed assets and their depreciation present difficult accounting and reporting problems for non-profit organizations. Some organizations record fixed assets, some do not. Some organizations record depreciation, some do not. There is no area of non-profit accounting in which, until recently, opinion was so divided.¹

In religious institutes, although the recording of depreciation is very seldom essential, it may, in certain situations be necessary.

TABLE 37
RECORDING OF DEPRECIATION EXPENSES

Response Item	N	Percent
(a) For real estate property only;	16	5.3
(b) For all assets to which depreciation is applicable;	165	55.4
(c) For automobiles and equipment only;	33	11.1
(d) Not at all;	65	21.8
(e) For automobiles only;	8	2.7
(f) For real estate, automobiles and equipment;	5	1.7
Non-applicable	3	1.0
Missing responses	3	1.0
Total	298	100.0

¹Gross, Malvern J., Financial and Accounting Guide for Nonprofit Organizations, p. 57.

In spite of the fact that the recording of depreciation expenses is not an absolute necessity for religious institutes, nonetheless the findings in question 37 revealed that 165 institutes (55.5%) depreciation charges may apply. (See Table 37).

A further analysis of the figures contained in Table 37 revealed that the institutes who do not record depreciation (see Item (d), Table 37) were distributed as follows: priests accounted for 20 of the 65 responses (30.8%); brothers were responsible for 4 of the responses (6.2%) and sisters' institutes claimed the remaining 41 responses (63.0%). These figures are not proportionate to the distribution of the responding population; priests' institutes are, proportionately, the strongest respondents for this item.

The responses to item (a) were categorized on the basis of membership. These figures provided a distribution within each membership group, and revealed the following results: among the priests' institutes, 25 of the 65 respondents (38.5%) recorded depreciation for all assets; among the brothers' institutes, 9 of the 28 respondents, 32.1%, were found selecting item (b); the total sisters' institutes who selected item (b) was 130, which represented 64.4% of the total sisters responding to this question.

The findings from this question on the topic of depreciation revealed that religious institutes are adhering to accounting practices which exceed the requirements of a cash basis system of accounting.

Question 38

What is the decision-making process pertaining to investment of surplus fund? (Long-term or relatively permanent investments)

- (a) The general (provincial) treasurer exclusively makes all decisions pertaining to use of surplus funds for the overall institute (province);
- (b) The decisions are made by the general (provincial) treasurer, after consultation with an advisory committee comprising of lay experts in the investment field;
- (c) The members of the general (provincial) council make all decisions pertaining to the investment of surplus funds;
- (d) The general (provincial) council makes all decisions pertaining to the investment of surplus funds, after consultation with an advisory committee comprising of lay experts in the investment field;
- (e) Surplus funds are not invested;
- (f) Other (please specify):

The activity which pertains to the investment of surplus funds is very important in religious institutes. Gollin presented facts pertaining to financial difficulties of religious institutes in the U.S. The major financial hardships which were outlined by Gollin were the result of indiscrete investment decisions.²

²Gollin, J., "There's an Unholy Mess in the Churchly Economy," Fortune, May, 1976, p. 244.

TABLE 38
 DECISION-MAKING PROCESS FOR INVESTMENT
 OF SURPLUS FUNDS

Response Item	N	Percent
(a) General (provincial) treasurer makes all decisions re use of surplus funds;	70	23.6
(b) General (provincial) treasurer makes decisions after consultation with advisory committee (lay investment experts);	53	17.8
(c) Members of general (provincial) council make all decisions re investment of surplus funds;	72	24.3
(d) General (provincial) council makes all decisions, after consultation with advisory committee (lay investment experts);	39	13.0
(e) Surplus funds not invested;	19	6.3
(f) General (provincial) treasurer, in consultation with the respective council;	12	4.0
Other	23	7.7
Non-applicable	4	1.3
Missing responses	6	2.0
Total	298	100.0

The purpose of question 38 was to identify the structures which Canadian religious institutes had provided for themselves with respect to the investment of their surplus funds. The responses obtained from this question were diversified. (See Table 38).

The data recorded in the responses to question 38 did not reflect any one major trend or strong response item. The two items which drew the largest number of responses were items (a) and (c), each recording 70 and 72 responses respectively. Item (f) reflects those responses which combined the (a) and (c) items. In two of the responses to the (a) item, it was noted that the treasurer made all decisions concerning the use of surplus funds, but that general policies or guidelines were pre-defined by the council.

The item "Other" is composed of a diversity of responses which were given either as annotated comments (under the space provided with the letter "f") or which consisted of multiple items. The multiple-item responses totalled 8, and the written comments items totalled 15.

Among the annotated responses, 5 institutes indicated that their investment portfolio was entrusted to commercial investment companies who reported to the appropriate council regularly. The treasurer acted as liaison between the investment advisors and the council. In 4 cases, the investment decisions were made between the major superior and his treasurer. The remaining number of responses included in the

"Other" category consisted of individual situations.

Since the responses to this question were so widely diversified and dispersed, further analysis of the distribution among the classes of members would fail to reveal meaningful information.

Question 39

What is the method of assessment of contributions made by local groups to the general (provincial) administration?

- (a) Each local group is assessed on the basis of a fixed percentage of the yearly gross income;
- (b) Each local group is assessed on the basis of a fixed percentage of the net income of the year;
- (c) Each local group is assessed on a per capita basis;
- (d) Each local group forwards all surplus cash to the general (provincial) administration periodically;
- (e) Other (please specify):

As has been stated previously, the local groups are the main revenue-generating units in the religious institutes. They are directly responsible for the maintenance or living costs of the members. In ordinary situations, each local group is self-supporting and the living costs of members are assumed by the group's funds. However, capitalization disbursements are in most cases, carried out at a higher level of administration. In addition, retirement

and infirmity costs are, in a large number of institutes, absorbed by the overall common fund at the generalate or provincialate levels. This fund is constituted by the aggregate funds which the institute has gathered. Local groups may contribute to the general administrative costs in various ways, according to local custom or policy.

The purpose of question 39 was to identify the methods of assessment of these contributions which are made by local groups to the upper level of administration.

TABLE 39
ASSESSMENT OF CONTRIBUTIONS OF LOCAL GROUPS
TO MAJOR ADMINISTRATION

Response Item	N	Percent
(a) Local group assessed on fixed percentage of yearly gross income;	16	5.4
(b) Local group assessed on fixed percentage of yearly net income;	9	3.0
(c) Local group assessed on per capita basis;	29	9.7
(d) All surplus cash sent to general (provincial) administration;	227	76.5
Non-applicable	12	3.7
Missing responses	5	1.7
Total	298	100.0

The findings reported in the responses to this question indicated one predominant trend, namely, that each local group forwarded all surplus cash to the general (provincial) administration periodically. Specifically, 228 institutes (76.5%) of the institutes selected item (d) in question 39. (See Table 39).

A further analysis of these data revealed that the responses were distributed as follows: priests, 35 (15.4); brothers, 26 (11.5%); and sisters, 166 (73.1%). In proportion to the distribution of the overall population, the sisters' ratio of responses was the strongest; brothers' responses to this question were also proportionately higher than the percentage figure which they claimed in the overall population.

In the analysis of the responses within each membership group, it was found that the brothers' institutes were almost unanimous in their responses to question 39: a total of 26 institutes selected item (d); this figure represented 96.3% of the total number of brothers (27) who participated to this question. The distribution of the sisters' responses revealed that 75.5% selected item (d); as for the priests, 53.8% of the responding institutes employed method (d) in assessing local groups' contributions to the upper level of administration.

In summary, it may be concluded that this question

identified a strong degree of centralization in the management of surplus cash funds at the local level in religious institutes.

Question 40

Further to question number 39, is the same procedure followed with respect to the assessment of contributions made by the provincial administration to the general administration?

(a) Yes

(b) No

Question 40 was complementary to question 39, since it dealt with the same topic, that of assessments, as they applied to another level of administration.

Question 40, as it appeared on the questionnaire, provided two response items, namely, (a) Yes, and (b) No. The respondents who selected item (b) were requested to specify. As a result of the responses to item (b), 5 additional categories were added, as shown in Table 40.

TABLE 40
ASSESSMENT OF CONTRIBUTIONS MADE FROM
PROVINCIAL TO GENERAL ADMINISTRATION

Response Item	N	Percent
(a) Yes	76	25.5
(b) No (without explanation)	53	17.8
(c) Fixed percentage of yearly income (gross or net);	12	4.0
(d) Per capita basis	56	18.8
(e) Annual curia tax	20	6.7
(f) Annual specified amount	32	10.7
(g) No contributions made	5	1.7
Non-applicable	44	14.8
Total	298	100.0

The responses to question 40 were widely scattered. The response item (a) gathered the largest number of respondents, with 76 (25.5%) selecting this particular item.

The remainder of the respondents were then relating either directly or indirectly, to item (b). The amount of 53 (17.8%) which is recorded under this item included those respondents who selected the "no" reply, but who did not specify further. The following 5 response items, (c) through (g), included the respondents who selected item (b), and specified the method used in the assessment of contributions from provincial to general administrations.

The 12 respondents who were included under items (c) and (d) were institutes who had selected the (d) item in question 39. In other words, in these 12 institutes, the local groups forwarded all surplus funds to the provincial administration; in turn, the provincial administration was assessed by the respective general administration on a basis of percentage of income.

The item (a) responses revealed that 76 of the responding institutes employed the same methods of assessment of contributions at both levels of administration. This figure, which represented 25.5% of the total respondents, could be an indication of highly structured organizations. The distribution for this figure indicated that priests recorded a total of 17 (23.5%); brothers claimed 2, (2.5%); and sisters provided the remaining 57 (75.0%).

Conclusion

The present chapter considered the management of assets in Canadian religious institutes. The purpose for which this specific data was gathered was mainly to pursue the identification of the various aspects of financial management and accounting procedures and practices as they existed in these organizations. More specifically, the focus of this chapter was the subject of assets.

The purpose was achieved through the analysis of the findings in questions 35 through 40. The data reported in these questions were indicative of specific trends in

particular areas. Whereas a great amount of decentralization existed in the management of cash funds; on the other hand, it was found that the centralization concept was predominant in the question of assessment of contributions of local groups to the respective upper level of administration. A very high proportion of the respondents reported that all local groups' surplus funds were forwarded to the major administration periodically. An important number of institutes maintained centralized inventory files of all furniture and equipment located in their local houses. The recording of depreciation expense was found to be more predominant than would be expected for non-profit organizations such as religious institutes.

The distribution of data within the membership groups recorded sisters' groups predominant in questions involving local group activities. These findings are explained by the fact that sisters' institutes function with more numerous local groups than do their male counterparts.

CHAPTER VII

RECORDING AND REPORTING PROCEDURES

The present chapter deals with questions of general recording procedures and financial reporting procedures as they are presently being carried out in Canadian religious institutes. More specifically, the content of the present chapter will focus on bookkeeping procedures (recording) and the subsequent preparation of financial reports which are based on the recorded information. Financial information is essential to decision-making in all organizations where funds are managed. According to the Canadian Institute of Chartered Accountants,

The objective of financial information is to provide users with information to make decisions ... information, both future-oriented as well as historical, that they need to make decisions regarding control and projecting into the future.

Accounting data are indispensable to management in all organizations, but there is an added dimension to the importance that it assumes in religious institutes. Religious treasurers are stewards of Church goods, and as such are

¹Canadian Institute of Chartered Accountants, Financial Reporting For Non-profit Organizations, Toronto, 1981, p. 5.

designated to manage funds of which they are not the owners.

Objective of Questions

The general objectives of the questions which are being considered in the present chapter were (1) to identify the recording and bookkeeping procedures employed in Canadian religious institutes; (2) to identify the financial reporting procedures both within the institute and with respect to outside users. The information required to achieve these two objectives was contained in questions 41 through 52 of the survey instrument used in the present study. Questions 41 through 47 dealt more specifically with recording procedures, whereas questions 48 to 52 are concerned with financial reporting methods and practices.

General Recording Procedures

Question 41

Is your accounting system computerized?

- (a) Yes
- (b) No

The progress of technology has had a remarkable impact on the business office in the last decade. The entire field of data processing has undergone evolutionary changes that are incomparable to any other in the history of universal business.

The purpose of question 41 was to determine whether the religious institutes in Canada had felt the need to avail themselves of the latest facilities for the processing of their financial data.

The data reported 274 (91.9%) of the respondents had not computerized their accounting system. This overwhelming majority clearly defines the trend which the Canadian religious institutes had taken at the time of the study. (See Table 41).

TABLE 41
ACCOUNTING SYSTEMS COMPUTERIZED

Response Item	N	Percent
(a) Yes	22	7.5
(b) No	274	91.9
Non-applicable	1	.3
Missing responses	1	.3
Total	298	100.0

Among the 22 responses to the (a) Yes item, one of them specified that a part of their system was presently in the process of being computerized.

Analysis of the affirmative responses (item "a," Yes)

provided the following distribution of responses: priests' institutes, 2 (9.1%); brothers, 3 (13.6%); and sisters, 17 (77.3%). A further analysis of this figure made on the basis of number of members in the responding institutes revealed the following distribution: 001 to 100 members, one respondent (4.5%); 101 to 300 members, seven respondents (31.8%); 301 to 500 members, two respondents (9.1%); 501 to 700 members, seven respondents; 1001 to 2500 members, five respondents (22.8%).

Caution must be exercised in the interpretation of these figures. In the recording of the data, each respondent was entered as a single case, whether they were provincial or general treasurers. Included in the total 298 respondents, were 185 who were coded as "single"; that is, there was only one respondent for that particular order. The remaining 113 were coded as "multiple," which signified that there were more than one respondent for the same institute; this was the case when provinces of the same institute were situated in Canada; (e.g., the Congregation de Notre-Dame, CND; Sisters of Charity (Halifax), SC).

In the context of question 41, there were 10 "single" respondents, that is to say, those 10 institutes are individual orders or congregations. There were also 12 "multiple" respondents; these 12 respondents represented, in reality, four "systems." Therefore, it can be concluded that there are, in Canada, 14 computerized accounting systems in religious institutes.

Question 42

Do you have a established chart of accounts for the overall institute (province)?

- (a) Yes
- (b) No

A chart of accounts may be defined as a formal list of all the accounts which are used in a specific organization. It is usually numbered in such a way that accounts may be readily identified as assets, liabilities, income or expenses. Gross states that: "The key to a good bookkeeping system is a carefully thought out chart of accounts."²

The purpose of this question, therefore, was to provide insight into the recording procedures of Canadian religious institutes. The chart of accounts essentially includes all the designations used in the ledger.

The data which were gathered from question 42 revealed that 241 (80.9%) of the respondents had an established chart of accounts for the overall institute's (province's) financial records. (See Table 42).

²Gross, Malvern, J., Financial and Accounting Guide For Nonprofit Organizatins, p. 520.

TABLE 42
 ESTABLISHED CHART OF ACCOUNTS
 FOR OVERALL INSTITUTE

Response Item	N	Percent
(a) Yes	241	80.9
(b) No	49	16.4
Missing responses	8	2.7
Total	298	100.0

Analysis of the distribution of the 49 negative replies revealed that 21 (42.9%) from priests; 6 (12.2%), from brothers; and 22 (44.9%), from sisters.

The findings in this question are indicative that a strong proportion of institutes have taken the necessary initial steps to availing themselves of sound bookkeeping systems.

Question 43

Is your chart of accounts supplemented by nomenclature and definitions of the items which are to be recorded in the various accounts?

(a) Yes

(b) No

The purpose of question 43 was to supplement the information obtained in question 42 by determining whether the institutes' charts of accounts were supplemented by nomenclature and definitions of the items which are to be recorded in the ledger accounts. As the number of accounts increases in a ledger, it becomes more and more essential to define and delineate those income and expenditure items which will be recorded under the respective account titles.

The base figure for the analysis of responses in question 43 was 241, the number of respondents who had indicated that they had an established chart of accounts. (See Table 42, page 149).

TABLE 43
NOMENCLATURE AND DEFINITIONS OF ACCOUNTS

Response items	N	Percent
(a) Yes	210	87.1
(b) No	31	12.9
Total	241	100.0

Note: The base figure for the N column is 241, the number of respondents who have established charts of accounts. (See Table 42, page 149).

The findings indicated that 210 (87.1%) of the institutes who had established charts of accounts also had

nomenclatures and definition indexes to supplement the chart of accounts. This high percentage is consistent with that of the previous question. Ordinarily, the institutes who establish charts of accounts would simultaneously define and delimit the respective accounts. This is simply logical procedure. However, it is not to imply that the 31 negative responses in question 43 were provided by institutes who did not follow logical procedure. These negative responses may be due to other very sound reasons. For instance, it is possible that their accounts are few in number, and that they include ample provision for a number of related expenditures.

Question 44

Do you have a written description of your accounting methods and procedures?

- (a) Yes
- (b) No

Written descriptions of accounting methods and procedures can be a means of assuring uniformity in the recording and reporting practices throughout an organization, more specifically throughout religious institutes. When procedures are written and defined, there is also a certain assurance of continuity from one bookkeeping incumbent to another. If reviewed periodically, written procedures also eliminate the possibility of repeatedly performing useless

or purposeless tasks and of following procedures that have become obsolete.

The data recorded in question 44 revealed that there was no strong tendency in this practice. The affirmative responses came from 154 (51.6%) of the respondents, while 127 (42.6%) responded negatively. These figures are reflected in Table 44.

TABLE 44
WRITTEN ACCOUNTING METHODS AND PROCEDURES

Response Item	N	Percent
(a) Yes	154	51.6
(b) No	127	42.7
Non-applicable	1	.3
Missing responses	16	5.4
Total	298	100.0

Analysis of the distribution of responses for item (a) Yes, revealed the following figures: priests, 21 (13.6%); brothers, 14 (9.1%); and sisters, 119 (77.2%).

A further analysis was made of the affirmative responses on the basis of total membership within groups. These data were as follows: in 21 (32.3%) of the priestesses, the accounting methods and procedures are written

and described; brothers showed 14 (50.%) of their institutes in this category of responses; among sisters' institutes, it was found that 119 (58.0%) of the respondents chose the affirmative item. These proportions differed considerably from the proportionate number of respondents from each category within the entire population. In the overall responses, brothers' groups accounted for 9.4% of the population. Therefore, it is clearly indicated that this group was predominant in the practice of writing their descriptions of accounting methods and procedures.

Question 45

Does the general (provincial) administration provide each local group with a uniform set of books for financial book-keeping and accounting?

(a) Yes

(b) No

The questions 41 through 45 have dealt with areas where the principle of uniformity was studied. In the present question, uniform sets of books were being considered: accounting record books which the upper level of administration would provide for the local groups for purposes of recording their financial transactions. For reasons discussed with respect to previous questions (see question 44, page 151) uniform accounting books could assure continuity and completeness of records.

The data gathered from the responses to question 45

revealed a meaningful cluster in the (a) response item "yes". Among the respondents, 201 (67.4%) indicated that they did provide their local groups with uniform sets of books for bookkeeping purposes.

TABLE 45
UNIFORM SETS OF BOOKS PROVIDED TO LOCAL GROUPS
BY GENERAL (PROVINCIAL) ADMINISTRATION

Response Item	N	Percent
(a) Yes	201	67.4
(b) No	89	29.9
Non-applicable	6	2.0
Missing responses	2	.7
Total	298	100.0

The largest proportion of these affirmative responses originated in the brothers' institutes, who recorded 23 (11.4%) of the 201 figure. This represented 82.1% of the total population of brothers participating in the study. Pursuing the analysis of the affirmative responses, it was found that 153 (75.4%) of the sisters' institutes also selected this item. The priests' institutes showed 25 respondents or 38.5% of their entire population in this category.

These figures pointed to a centralization on the part

of the brothers' institutes, insofar as uniform sets of accounting books were concerned.

Question 46

What method of accounting do you use?

- (a) Cash basis
- (b) Accrual basis
- (c) Combination of both (modified accrual)

The cash basis of accounting and the accrual basis of accounting constitute one of the main areas of differences between the non-profit organizations' accounting procedures and the commercial enterprise's accounting procedures. In the cash basis of accounting, transactions are reflected only when cash has been involved. The CICA offers the following definition for the cash basis of accounting:

The method of recording transactions by which revenues and expenditures are reflected in the period in³ which the related cash receipts or disbursements occur.

In the accrual method of accounting, the records are kept in such a way that transactions are recorded as they occur, regardless of the transfer of cash. This method takes into consideration amounts due to the organization as well as

³Canadian Institute of Chartered Accountants, Terminology For Accountants (Revised Edition), Toronto, 1976, p. 21.

amounts owed by the organization. The CICA gives the following definition for this method of accounting:

The method of recording transactions by which revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of cash or its equivalent.⁴

It is also possible to employ the "modified accrual" basis of accounting. This method consists in a combination of both the cash and accrual methods, whereby certain transactions will be recorded on a cash basis while other transactions are recorded on an accrual basis. The CICA offers the following definition of modified accrual method: "A phrase ... used ... to describe a variety of methods which include departures from the accrual basis of accounting."⁵

The data recorded in question 46 included 11 (3.7%) annotations indicating that the respondents were not familiar with these standard terms of accounting terminology. In addition, 23 (7.7%) respondents completely overlooked the question. This unusually large number of missing responses could possibly be attributed to the unfamiliarity of the terms as well.

⁴Ibid., p. 4.

⁵Ibid., p. 58.

TABLE 46
BASIS OF ACCOUNTING
CASH OR ACCRUAL

Response Item	N	Percent
(a) Cash basis	91	30.5
(b) Accrual basis	73	24.5
(c) Combination of cash and accrual	93	31.2
Cash basis at local level, accrual at higher administration	5	1.7
Accrual at provincial level, combination at local level	2	.7
Terms unknown	11	3.7
Missing responses	23	7.7
Total	298	100.0

The respondents who selected one of the three possible options for this question were distributed in a relatively even pattern. The (a), cash basis item, gathered 91 responses, 30.5% of the total. The (b) item, accrual basis, recorded 73 responses, (24.5%)

The distribution of the various responses was diversified and revealed no specific pattern.

Question 47

Do you employ fund accounting procedures?

(a) Yes Entirely Partly

(b) No

The fund accounting concept is unknown to commercial enterprises. It is strictly peculiar to non-profit organizations. Gross defines it as follows:

Fund accounting is a system of accounting in which separate records are kept for assets donated to an organization or outside parties to certain specific purposes or use. ... In fund accounting, assets are segregated into categories according to the restrictions that donors place on their use ... an organization using fund accounting⁶ presents separate financial statements for each "fund."

Fund accounting procedures employ a group of self-balancing accounts for each fund.

Since fund accounting is peculiar to non-profit organizations, the purpose of question 47 was to determine whether it was being employed in Canadian religious institutes.

The findings recorded for question 47 revealed that 14 respondents (4.7%) indicated the term was not familiar. It may be concluded that if the term is unknown, there is a strong probability that they are not employing it. The data

⁶Ibid., pp. 16, 29.

which are reflected in Table 47 also showed 51 (17.1%) cases of blank or missing responses. It was felt that this unusually large number of missing responses may also be the consequence of the respondents' unfamiliarity with the term.

TABLE 47
USE OF FUND ACCOUNTING

Response Item	N	Percent
(a) Yes - entirely	49	16.4
Yes- partly	87	29.2
(b) No	97	32.6
Terms unknown	14	4.7
Missing responses	51	17.1
Total	298	100.0

There was indication that fund accounting was being used, either in part or entirely, by 136 institutes (45.6%). The institutes who employed fund accounting for a segment of their financial accounting were largely active institutes (36 of the 87). This is a favorable combination for active institutes who are engaged in work or activities which entail separate assets and separate fundings. Examples of this situation would be schools, and health care institutions.

The distribution of responses on the basis of membership was very diversified and revealed no particularly identifiable trend.

Financial Reporting Procedures

Financial reports are intended to convey information with respect to the financial activities which were realized during a given period. Leonard states that:

One expression frequently used to explain the purposes and functions of a year-end financial statement is that the statement is a report of stewardship from the board of directors and the managers (who directly spend and manage enterprise funds) to investors (who are visualized as the absentee⁷ owners) on whose behalf enterprise funds are managed.

Religious treasurers are stewards of funds which they are called upon to manage on behalf of the members of an institute. The financial reports convey to interested parties the results of this stewardship activity for a given period. The purpose of the questions 48 through 52 was to identify the general reporting procedures being practiced in Canadian religious institutes.

⁷Leonard, William G., Canadian Accountant's Handbook, Toronto, 1978, p. 8.

Question 48

Do you have a standardized form for your financial statements?

(a) Yes

(b) No

The use of standardized forms for financial reporting assures uniformity within an organization. They also serve as guides for the recording of data, as they identify the segments of activities from which financial information will be required in order to meet the requirements of the reports. Thus, they assure completeness and thoroughness.

TABLE 48
STANDARDIZED FORMS FOR FINANCIAL STATEMENTS

Response Item	N	Percent
(a) Yes	259	86.9
(b) No	35	11.8
Missing responses	4	1.3
Total	298	100.0

The data reported in question 48 indicated a high percentage of institutes provided standardized forms for their financial statements. Item (a), "yes" responses gathered 259

replies, from 86.9% of the total population. The responses were distributed proportionately among the population.

Within the three membership groups, the affirmative response was selected as follows: priests' institutes claimed 54 of the responses, 83.1% of that group; brothers showed 25 responses, 89.3% of that group; sisters provided 180 affirmative responses, from 87.8% of their entire population.

These figures are undoubtedly indicative of a strong trend to provide standardized forms in religious institutes.

Question 49

How often do the provincial treasurers submit revenue and expense statements to the general administration?

- (a) Annually;
- (b) Semi-annually;
- (c) Not at all;
- (d) We do not have any provinces;
- (e) Other (please specify);

The purpose of question 49 was to establish the degree of accountability which provincial treasurers had toward the general treasurers. By the same token, the data can be interpreted to identify the degree of control which general treasurers exercise over the provincial treasurers.

TABLE 49

FREQUENCY OF PROVINCIAL TREASURERS' FINANCIAL REPORTS
TO GENERAL ADMINISTRATION

Response Item	N	Percent
(a) Annually	185	62.1
(b) Semi-annually	47	15.8
(c) Not at all	3	1.0
(d) We do not have provinces	50	16.8
(e) Quarterly	7	2.3
At Provincial Chapter	2	.7
Monthly	1	.3
Missing responses	3	1.0
Total	298	100.0

The findings reported a total of 185 provincial treasurers submitting annual revenue and expense statements to the general administration. Further, 47 respondents submitted semi-annual reports.

Two other categories were included in the "other" item, namely, quarterly and monthly. The aggregation of these four items represented 240 (80.5%) of the total respondents who reported that the provincial treasurers submitted financial reports on a regular periodic basis in the course of the fiscal year.

The three responses (1.0%) which indicated that reports were not submitted at all, originated from priests' institutes. The 2 responses to the "Provincial Chapter" option were submitted by priests also. Hence, all brothers' and sisters' institutes who have provinces required the provincial treasurer to submit revenue and expense statements to the general administration on a regular annual basis.

Question 50

How often do the local groups submit a revenue and expense statement to the general (provincial) treasurer?

- (a) Monthly;
- (b) Four times per year;
- (c) Semi-annually;
- (d) Annually;
- (e) Not at all;
- (f) Other (please specify);

Question 50 pursued the purpose of determining the degree of accountability which existed between levels of administration, namely, between the local groups and their respective general or provincial treasurers. It complemented question 49 and was a sequel to it.

The data recorded in the responses to question 50 were indicative of a strong trend for local groups to submit revenue and expense reports to their respective general or

provincial treasurers. The aggregate responses of items (a) through (d) and (f) indicated that a total of 283 (95.0%) respondents required their local groups to submit reports at various times during the fiscal year. (See Table 50).

TABLE 50

FREQUENCY OF REVENUE AND EXPENSE REPORTS SUBMITTED
BY LOCAL GROUPS TO MAJOR ADMINISTRATION

Response Item	N	Percent
(a) Monthly	72	24.2
(b) Quarterly	38	12.8
(c) Semi-annually	52	17.4
(d) Annually	108	36.2
(e) Not at all	4	1.3
(f) Other	13	4.4
Non-applicable	9	3.0
Missing responses	2	.7
Total	298	100.0

The largest number of institutes submitted annual reports: 108 treasurers selected this item (36.2%). Monthly reports were submitted in 72 of the cases, 23.8% of the institutes. There were fewer institutes who reported more frequently: 52 (17.4%) reported semi-annually and 38 (12.8%) reported four times per year.

The "other" item included those responses which did not correspond to any of the suggested items. They were institutes who required reports three times per year (quarterly); six times per year; and combinations of monthly and annually. The non-applicable responses originated from the monastic institutes who are independent of local groups.

The main purpose of the question was to establish the extent of accountability between the lower levels of administration and their respective immediate superiors. The question provided 5 items which served the purpose of supplying additional information by specifying the frequency of the reports. The essence of the question was whether local groups were required to submit reports. In view of the fact that the total affirmative responses were quasi-unanimous, further distribution analysis would fail to provide meaningful information.

Question 51

By whom are the institute (province's) financial statements prepared?

- (a) By the general (provincial) treasurer only;
- (b) By the chartered accountant only;
- (c) By the general (provincial) treasurer and chartered accountant;
- (d) By the general (provincial) treasurer with the assistance of the financial advisory committee;
- (e) Other (please specify);

The principle purpose of question 51 was to pursue the study of accounting methods and procedures. The preparation of the financial statements is an administrative function rather than a management function. As such, it entails no decision-making and does not require control structures. The financial statements are summary reflections of the financial status of the organization on a given date.

The data reported in question 51 were indicative of a trend for treasurers to work with professional chartered accountants in the preparation of their financial statements. (See Table 51). Among the responses, the (c) item was the strongest with a total of 156 (52.3%) of the treasurers relating to this particular procedure.

Accompanying the responses to this question were written annotations specifying that for item (a), the treasurer

worked with support staff in preparing the statements. One institute indicated that the provincial treasurer solicited the aid of local treasurers in the preparation of the province's financial statements. Further written comments for item (c) specified that the treasurer exclusively prepared given segments of the statements while the C.A. prepared the more complex adjustments.

TABLE 51
PREPARATION OF INSTITUTE (PROVINCIAL)
FINANCIAL STATEMENTS

Response Item	N	Percent
(a) By the general (provincial) treasurer;	98	32.9
(b) By the chartered accountant;	27	9.1
(c) By the general (provincial) treasurer and the C.A.;	156	52.3
(d) By the general (provincial) treasurer with assistance of financial advisory committee;	14	4.7
(e) Other	3	1.0
Total	298	100.0

The "other" responses included two institutes where the treasurer prepared the statements with the assistance of the provincial superior; another institute indicated that a member of the order, from another province, was brought in

for the entire preparation of the financial statements.

An analysis of the distribution of the 27 responses to item (b), which indicated that the C.A. exclusively prepared the financial statements, revealed the following: priests supplied 9 of these (33.3%); brothers recorded 2 institutes (7.4%); and sisters claimed the remaining 16 (59.3%). Proportionately, priests were the predominant group in these responses.

Question 52

What distribution is made of your financial statements (institute or province)?

- (a) The financial statements are for internal use by the general (provincial) council only;
- (b) The statements are distributed to all local groups in the institute (province);
- (c) Selected and partial information is made known to all members of the institute (province), but not the entire reports;
- (d) The bishop of the diocese receives a copy of our financial statements;
- (e) The federal government receives the copies required by fiscal legislation, when applicable;
- (f) Disclosure or distribution of financial statements to other agencies; (please specify):

The nature of the information contained in question 52 resulted in numerous multiple-item responses. The tabulation of the findings for this question was therefore summarized by combining the single-item responses with the multiple-item

responses. The figures shown for each item (see Table 52) represent the number of institutes who selected this particular item. The figures shown in the "Percent" column represent the relative frequency for the particular item. Therefore, the N column does not total 298 and the Percent column does not equal 100.0.

TABLE 52
DISTRIBUTION OF INSTITUTE (PROVINCE)
FINANCIAL STATEMENTS

Response Item	N	Percent
(a) Financial statements for internal use of general (provincial) council only;	156	52.3
(b) Statements distributed to all local groups;	56	18.8
(c) Selected and partial information made known to all members;	117	39.3
(d) Bishop of diocese receives financial statements;	0	0.0
(e) Federal government receives copies required by fiscal legislation;	212	71.1
(f) Province of Quebec government	34	11.1
Other	21	7.0

Note: Column totals do not equal the basic amounts of 298 and 100%, due to multiple-response items.

An additional item was created in the process of tabulation, in order to accommodate the various situations

which were either unique or obtained a very small number of responses. These situations are listed as follows: bank; actuary; chartered accountant; members of the advisory council; bishops of the province where institute is located; each local superior; each local treasurer; each member of institute receives complete copy of statements; General and Provincial Chapter members; shared with local groups during treasurer's visit, but not publicly posted.

Two institutes indicated that the complete reports were available to all members at all times, and could be consulted at will, since there were no "secrets."

The presence of such a large number of multiple-item responses precluded the usefulness of further analysis on the distributions.

Thus, it can be concluded that the financial statements of religious institutes are distributed in a diversity of ways. However, this distribution is predominantly internal, or for internal purposes (ex., banks, chartered accountants, etc.). Federal and provincial governments received only the data which were strictly required by fiscal legislation. It may be noted that the single response which was predominant was the combined (a)+(e) response, which was selected by 67 single respondents (22.5%).

Conclusion

Financial reporting is intended to provide essential information to decision-makers concerning the availability of financial resources, the alternate uses of these resources, the overall economic viability of the organization. Financial statements are the principle means of communicating accounting information to interested users. According to the LCWR/CMSM Manual:

The regular and timely preparation of financial reports is a prerequisite to sound financial management and good planning. ... Financial statements and most other financial reporting are historical. This historical factual information is used as the basis for assessing the future.⁸

In order to assure the accurate historical information which is essential to effective financial reports, the accounting records must conform to basic, generally accepted accounting principles. The purpose of the data gathered in the questions 41 through 52, which were analysed in the present chapter, was to obtain a general description of the selected recording and reporting procedures.

The findings revealed that 91.9% of responding institutes had not computerized their accounting systems. However, it was concluded that the initial phase of sound bookkeeping systems had been completed, since 80.9% of the respondents already had established charts of accounts, 87.1%

⁸LCWR/CMSM, Religious Institute Financial Management and Accounting Manual, p. IV-1.

of which were supplemented with nomenclature and definitions of the items contained in the chart of accounts. Written descriptions of accounting methods and procedures were made available in 51.9% of the religious institutes. There was a wide degree of centralization reflected in the question pertaining to uniform sets of books for local groups: in 67.4% of the responding institutes, the major administrators provided their local groups with uniform accounting records. The questions on the methods of accounting presented diversified responses, with no strong trend.

The five questions pertaining to financial reporting procedures also reflected a rather strong trend in the question of standardized forms for financial statements: 86.9% of the respondents availed themselves of this device. It was found that accountability was required between levels of administration as reflected in the questions pertaining to the frequency of financial activity reporting between levels. The general (provincial) treasurers exercised a very active role in the preparation of the financial statements of their respective institutes or provinces. A great deal of discreteness surrounded the diffusion of the financial information that is contained in the institutes' financial statements.

In light of the preceding comments, it may be concluded that religious treasurers are fulfilling their responsibilities in a professionally acceptable manner, insofar as the financial recording and reporting procedures are concerned.

CHAPTER VIII

SUMMARY OF FINDINGS AND RECOMMENDATIONS

A complete and detailed analysis of the data gathered in individual question was presented in Chapters IV through VII. The purpose of the present chapter is to integrate the findings of the individual questions and chapters, and to offer recommendations on the basis of these findings.

Summary of Findings:
Canadian Religious Institutes

The findings which are germane to the general topics of accounting procedures and financial reporting are summarized below. Recommendations relative to these two topics were not considered to be necessary, since the data revealed a satisfactory level of performance in these areas by Canadian religious treasurers.

Accounting Procedures

Throughout the analysis of the individual questions from which are derived the findings for the present study, it was found that Canadian religious treasurers were, on the whole, applying sound management concepts and accounting principles.

For instance, the findings reported under the headings of "Organization of the treasury function" (Chapter IV) and "Management of Assets" (Chapter VII), focused mainly on questions of decision-making structures; selection of treasury officers; tasks, responsibilities and scope of authority of treasury officers. It may be concluded that Canadian religious institutes have availed themselves of structures which preclude the probability that individual officers (treasurers or major superiors) will be placed in strong authoritative or powerful situations where decisions are made single-handedly. The selection of treasury officers is made in democratic ways: either through the general (provincial) council for their treasurer or by local groups for the local treasurer.

In the management of assets, there is also a certain degree of centralization. If, on the one hand, the local groups are given a certain degree of autonomy (e.g., in the administration of their respective bank accounts, in the financing of their own apostolate projects), on the other hand the major administration maintains close control over certain activities. For example, all excess variances from approved budgets require supplementary budget approval; all surplus funds are centralized; and investments are centralized and subject to approval by councils.

It may be concluded that the major administration maintains a tight control over the activities which have important ramifications on the overall institute's finances.

Financial Reporting

The ultimate purpose of any accounting system is to provide a vehicle for the accurate recording of data which pertain to financial activity in the organization. The analysis and interpretation of these data ultimately provides the basis on which management decisions are made.

The findings recorded on the subject of financial reporting in Canadian religious institutes were consistent with the overall trend which was predominant throughout the study, namely, that of the hierarchical model of administration. The data revealed that in 30.5% of the institutes, the provincial treasurers report annually to the general administration and that in 90.6% of the institutes, local groups report to the upper level of administration.

In concluding this segment of the chapter, it should be noted that the Canadian Institute of Chartered Accountants' Study Group considered that the accounting principles that were being applied by profit-oriented enterprises could also be used for financial reporting by non-profit organizations.¹

It is beyond the scope and the purpose of the present study to recommend specific reporting techniques or detailed methodology.

¹Canadian Institute of Chartered Accountants, Financial Reporting for Non-Profit Organizations, A Research Study, pp. 2, 28.

Recommendations

The basis of all recommendations will stem from two major resources: (1) the Roman Catholic Church's Canon Law will provide the canonical foundation for the recommendations relating to questions of financial management and decision-making structures. (2) The research study which has been conducted by the Canadian Institute of Chartered Accountants entitled "Financial Reporting for Non-Profit Organizations" (hereafter referred to as the CICA Study) will provide the theoretical framework used to support the recommendations relating to questions of accounting practice and procedures including financial reporting.

As was indicated on page 50 of the present report, these two sources of evidence were employed in part only, insofar as they were applicable and required for the purposes of the study. They are being integrated in the following paragraphs, to the extent and in the order in which they become necessary.

Each major section of this division will be presented under three sub-headings: namely, summary of the findings; basis for recommendation; and recommendations.

I. In Light of the CICA Study

1. Basis of Accounting.

a. Summary of findings: The findings concerning the

basis of accounting were divided; there were no strong trends toward cash basis (30.5%); accrual basis, (24.5%); or combination cash and accrual basis, (31.2%). (See Table 46, page 157).

The responses indicated that 78.6% of the institutes submitted their books to annual audits by outside agencies.

b. Basis of recommendation: It is recognized that the cash basis of accounting provides records that are more simple and more economical in terms of the preparation of reports. It may be argued that the difference is insignificant between the financial reports based on the cash method and those of the accrual method.

According to the CICA Study, there are qualities which are essential to useful information. Among these are: relevance, materiality, completeness, significance, and understandability.²

The Study Group pursues this topic further:

Based on the qualities of useful information, the full accrual basis of accounting should be used by non-profit organizations in preparing the general purpose financial statements. The accrual basis results in a more accurate and complete presentation of an organization's financial activities than the cash basis. ... The size of a non-profit organization should not be a determining factor for selecting the suitable basis of accounting. If small organizations wish to maintain their day-to-day records on a cash basis, adjustments for unrecorded transactions can be determined at the year end.³

²Ibid., p. 21.

³Ibid., p. 51.

c. Recommendation: The accrual basis of accounting provides for more meaningful records, which are essential to general purpose financial statements, than does the cash basis of accounting. It is therefore recommended that Canadian religious institutes adopt the accrual basis of accounting in all groups where this is possible. In most cases, the local groups will maintain records on a cash basis; however, the top-level administration would benefit from the use of the accrual basis.

2. Fund Accounting.

a. Summary of Findings: It was found that 45.6% of the institutes employed fund accounting procedures, either entirely or in part. (See Table 47). Fund accounting is not appropriate for all institutes.

It was further found that in 51.0% of the cases, local groups were responsible for the financial implications of specific apostolate projects.

b. Basis for recommendation: Functional accounting is defined as "A system of accounting whereby costs (and sometimes revenues) are allocated to each function or activity."⁴

This basis of accounting provides accountability for various segments of an organization. The CICA Study Group considers that:

⁴CICA, Terminology for Accountants, p. 44.

Programs representing 10% of an organization's activities should be reported separately. ... A segment would usually be considered significant if its revenue is 10% of all revenues or its identifiable assets are 10% or more of all assets. ... Segmented programs should be reported separately. ... Segmented revenues and expenses should normally be disclosed separately for each reported program, and the remainder of the programs should be shown in total.⁵

c. Recommendation: It may be feasible for religious institutes in Canada to consider the possibility of adopting functional accounting and reporting methods, where the situations lend themselves to such procedure. This would provide added opportunity for accountability and an excellent means of relating the financial implications of specific activities to the overall objectives of the institute. Also, it would provide an additional information in the planning process where priorities are ranked.

3. Local Bookkeeping

a. Summary of findings: The findings reported on selected aspects of financial records. A large percentage of religious institutes have established charts of accounts, which is an initial step toward efficient bookkeeping records. Approximately one-half of the responding institutes, 51.4%, reported having written accounting methods and procedures, and 67.4% reported that uniform sets of books were provided to local groups for purposes of bookkeeping.

⁵Ibid., p. 64.

The findings also revealed that only 15.4% of the institutes where the general (provincial) treasurer met with the local treasurers on a regular basis. In the greater number of institutes (53.0%), the two levels of treasurers met on specific circumstances, as required.

b. Basis for recommendation: According to the CICA,

An accounting system is adequate for its purposes if the accounting records within that system are designed to provide all the information required for preparation of financial statements or other financial reports. The term "accounting record" refers to any book, list or other record which contains information underlying financial statements or other financial reports.⁶

c. Recommendation: In view of the CICA's comments concerning the necessity for accurate accounting records, general (provincial) treasurers must assure that local groups are fully equipped to provide the required data from their segments or accounting units. The following recommendations are based on this requirement.

In view of the fact that, in the final analysis an institute's financial records constitute one system, it is essential to assure that adequate and uniform information be conveyed from the local levels to the final preparation of financial reports. Therefore, it is recommended that:

⁶CICA, Handbook, Toronto, 1977, p. 5303.

(a) Uniform accounting records be provided to all local groups, by the higher level of administration. These records could include: a simplified set of cash receipts and cash disbursements journal sheets (could be combined); a standard form for reporting receipts and disbursements (activity reports); and a standard bank reconciliation form. The revenue and expense items which are contained in the activities reports should be based on a simplified, yet concise, chart of accounts.

(b) At the beginning of each fiscal year, the general (provincial) treasurer should have a formal meeting with all local treasurers in order to review existing procedures, and to receive input from the persons who will be called upon to exercise the functions of local bookkeeping. This not only will assure uniformity in methods and procedures applied, but also will assist the new incumbents in obtaining the required information and in gaining further comprehension of the task, and provide for continuity.

This recommendation is further confirmed by the fact that, in practice, a considerable number of local treasurers are called upon to fulfill this obligation in addition to other full-time occupations. In each institute, it is recommended that the bookkeeping task of the local treasurers be facilitated and simplified as much as is feasible, while still assuring that the essential data are properly recorded.

This recommendation includes another facet. In order to facilitate and to simplify the bookkeeping function at the local level, it is essential that the items on which personal expense reports are based be kept at a strict minimum. The guiding principle in establishing charts of accounts should be: "Of what benefit will this added information be to the overall accounting and control system?" For instance, it is not essential to sub-divide expense items unless these sub-categories can be used as control units, or add indispensable information to the overall records.

Hence, if the recording of accounting information is simplified, if the reporting process is facilitated by the use of standardized accounting forms (86.9% of the respondents reported having them, see Table 48, page 161), less emphasis will be placed on the technical dimension of the treasury function, and this for the individual members as well as for the entire local group. By placing excessive importance on the items of the "budget," and on a sanctimonious respect of personal budget amounts, there is danger that individual members may be missing the point of the entire purpose of budgeting.

Therefore, the initial step to assuring efficiency and accuracy of financial recording at the local level is (a) to assure that it is fully comprehensible to all concerned parties (written procedures) and (b) to facilitate and simplify as much as possible the process of financial record-keeping at the local level.

II. In Light of Canonical Requirements

1. Duties and Responsibilities of Religious Treasurers

a. Summary of Findings: The findings indicated that in 66.9% of the institutes, the constitutions defined those acts which were to be considered as "ordinary" and "extraordinary" acts of administration. (See Table 10). Further, it was found that in 79.5% of the cases, decisions pertaining to extraordinary matters were made by the respective councils. These findings are in relationship to Canon 40 of the revised Code of Canon Law, which states: "Within the ambit of universal law, it belongs to the constitutions to determine which acts exceed the scope of ordinary administration."

Canon 28, paragraph 3, "strongly suggests that annual reports of receipts and expenditures be prepared by administrators."⁷

Further, Canon 41 requires that administrators present their books and give account of their administration. The data revealed that at each level of administration, there was accountability to a higher level. (See Tables 49 and 50, pages 163 and 165 respectively).

⁷ Pontifical Commission for the Revision of the Code of Canon Law, Draft of the Canons of Book Five: The Law Regarding Church Possessions, p. 24.

Canon 28, Paragraph 1, specifies: "All administrators of goods are bound to fulfill their office with the solicitude of a good father of a family."⁸

The subsequent paragraphs, 2 (articles 1 through 3) and 3, further elaborate the administrative duties which be-hoove them. These pertain in great part to accountability which has been discussed and demonstrated in the preceding paragraphs.

The predominant general conclusion to this study can be stated as follows: Canadian Religious institutes' financial management methods and procedures closely parallel the principle requirements of acceptable accounting practice and the requirements of ecclesial legislation. It now be-comes necessary to go beyond the administrative dimension of the financial management function.

b. Basis of recommendation: However, the message of Perfectae Caritatis goes beyond the technicalities of ad-ministrative details in dealing with poverty. Members of religious institutes are not only economic participants in a community. They are members dedicated to a vowed life of poverty.

Religious treasurers must henceforth become the in-stitutes' main resource persons who will instill the spirit of poverty which is advocated through P.C. In order to help their members to instill these attitudes, religious

⁸Ibid., p. 26.

treasurers could consider the following recommendations:

c. Recommendations: Whereas it was recommended previously that accounting records at the local level be simplified, general (provincial) treasurers must lead the members to an understanding of the importance of responsible stewardship and accurate maintenance of records in local groups.

The findings revealed that local group members participated actively in budgeting and accounting activities of their groups. (See Table 31). However, budgeting and accounting activities are never an end, but a means of arriving at equitable distribution and use of limited funds. Therefore, it is recommended that general (provincial) treasurers hold general meetings with all members of the institute (province) on a regular basis. These could be held on a regional basis, if general meetings are not feasible.

The objective of these meetings, in addition, could be to develop the proper perspective on the economic aspects and the administrative dimensions of poverty.

The principal focus of these meetings would concentrate on the objectives, priorities and qualitative aspects, as they relate to the financial resources rather than on the quantitative dimensions.

The findings indicated that only in 39.3% of the institutes were selected and partial financial statement data distributed to members. (See Table 52). The data in Table 25 (page 100) indicated that 28.0% of the institutes distributed

copies of the institute budget to all members. It may be concluded that general and provincial administrators are rather discrete and prudent in the distribution of financial data to the general membership. This is a commendable practice, since the general membership do not possess the required preparation to interpret financial reports. Interpretation of figures taken out of context could be extremely harmful to all parties concerned. However, a general meeting would provide a vehicle for the synthetic presentation of such data, and serve to dissipate the cloud of mystery that frequently surrounds financial affairs.

The treasurer may establish a schedule for making visits available to local groups either on the occasion of year-end analysis or at preparation of the annual budget. Although this visit could be an opportunity to assist with bookkeeping questions, its main objective could be to assist the group in focusing their own financial projections and needs in the overall perspective of the institute.

The above recommendations have assigned to the treasurer a role of education, guidance and coordination leadership. These are possible on the condition that support staff be assigned to all tasks that are non-management, the administrative functional duties germane to the position. The role of the treasurer must go beyond the technical duties of record-keeping and accounting. The treasurer is a manager of financial resources, and ideally a leader in the role of educating the members to the proper perspectives and uses of

financial resources in the institute. Treasurers reported that 63.9% perform bookkeeping and accounting tasks. (See Table 14). Education and strong leadership on the part of general (provincial) treasurers can provide invaluable assistance in developing proper perspective and attitudes toward the role and use of financial resources in institutes of consecrated life.

The treasurer must also be an advisor to the council members in matters relating to financial implications.

It is recommended that general and provincial treasurers be provided with opportunities to meet their counterparts. Some of the Canadian Religious Conference regional groups have already organized such meetings, and the CRC-Ontario endeavours have become yearly occurrences. The CRC National Office in Ottawa could provide their usual leadership and assistance, as required. It could be advantageous to hold concurrent meetings for treasurers during the biennial major superiors' conference.

Conclusion

In conclusion, the main focal point which stems from the findings of the present study is the fact that, on the whole, Canadian religious treasurers are observing rather diligently the requirements of the Roman Catholic Church laws, and practicing the accounting procedures which are recommended by the professional accountants of Canada.

Religious treasurers are now called upon to go beyond the confines of accounting and financial management duties and to become resource persons in the application of the concepts and ideals of religious poverty.

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APPENDIX

Appendix A

Copies of Questionnaires Used for Data Collection Purposes

In English language

In French language

OF ROMAN CATHOLIC RELIGIOUS CONGREGATIONS IN CANADA

PART I: GENERAL INFORMATION

01. Name of institute: _____ Initials: _____

02. Type of order:

- a) Active
 b) Contemplative
 c) Monastic

03. Are you:

- a) Priests
 b) Brothers
 c) Sisters

04. Is the person completing this questionnaire a:

- a) General treasurer (go to question 05)
 b) Provincial treasurer (go to question 06)

05. As a general treasurer, do you have any provinces in Canada?

- a) Yes
 b) No

06. As a provincial treasurer, is your general treasurer in Canada?

- a) Yes
 b) No

NOTA BENE: If you are a general treasurer, please respond to all the questions as they pertain to the overall institute.

If you are a provincial treasurer, please respond to all the questions as they pertain to your own province only.

PART II: ORGANIZATION OF TREASURY FUNCTION IN YOUR INSTITUTE (PROVINCE)

07. Is the current general (provincial) treasurer:

- a) An elected member of the general (provincial) council;
- b) A member ex-officio of the general (provincial) council;
- c) Not a member of the council at all.

08. How is your general (provincial) treasurer selected?

- a) Elected as such by the general (provincial) Chapter delegates;
- b) Appointed by the general (provincial) council from its elected members;
- c) Appointed by the general (provincial) council members from members of the institute (province) outside the general (provincial) council;
- d) Other: (please specify) _____

09. Do your constitutions or financial policies set forth the qualifications required of persons appointed to administer the financial affairs of your institute (province)?

- a) Yes
- b) No

10. Do your constitutions (directory or statutes) identify and define the judicial acts which are to be considered as acts which are to be considered as acts of "ordinary administration" as distinguished from those acts which are of "extraordinary administration", as well as specify the level of administration which is authorized to realize each category?

- a) Yes
- b) No

11. Does the general (provincial) treasurer consult or work with a financial advisory committee?

- a) Yes (go to question 12)
- b) No (go to question 13)

12. What is the composition of your financial advisory committee? (Please indicate the number of members for each appropriate category)

- a) Religious, members of your institute (province); number: _____
- b) Religious, members of other institutes; number: _____
- c) Diocesan clergy; number: _____
- d) Chartered accountants (lay persons); number: _____
- e) Other lay persons; (please indicate the profession or occupation of these persons); number: _____

13. What is the decision-making structure with respect to financial matters in your institute (province)?

- a) All decisions pertaining to routine ordinary matters are made by the general (provincial) treasurer;
- b) All decisions pertaining to non-routine or extraordinary matters are made by the general (provincial) treasurer;
- c) All decisions pertaining to non-routine or extraordinary matters are made by the major superior and carried out by the general (provincial) treasurer;
- d) All decisions pertaining to non-routine or extraordinary matters are made by the general (provincial) council, and carried out by the general (provincial) treasurer;
- e) All matters pertaining to non-routine or extraordinary matters are first discussed with the financial advisory committee and subsequently referred to members of the general (provincial) council for final decision;
- f) Other (please specify): _____

14. What are the main duties carried out by the general (provincial) treasurer?

- a) Performs all financial bookkeeping and accounting tasks;
- b) Supervises and directs subordinate support staff which carries out the financial bookkeeping and accounting tasks;
- c) Supervises and directs all the construction and major repair projects for the entire institute (province);
- d) Supervises and directs centralized purchasing service for the overall institute (province);
- e) Acts exclusively in advisory capacity to members of the general (provincial) council;
- f) Other main duties not indicated above: _____

15. How is the local treasurer selected in your institute (province)?

- a) Nominated exclusively by the major superior;
- b) Nominated exclusively by the local superior;
- c) Nominated by the major superior, upon recommendation by the local superior;
- d) Selected by members of the general (provincial) council;
- e) Selected by the members of the respective local group;
- f) Other (please specify): _____

16. What is the structure of the decision-making with respect to local financial matters?

- a) All decisions pertaining to ordinary and routine matters are made by the local treasurer;
- b) All decisions pertaining to ordinary and routine matters are made by the local group and carried out by the local treasurer;
- c) All decisions pertaining to ordinary matters are made by the local superior and carried out by the local treasurer;
- d) All decisions pertaining to extraordinary matters are made by the local superior;
- e) All decisions pertaining to extraordinary matters are made by the local group and carried out by the local treasurer;
- f) All decisions pertaining to extraordinary matters are made by the general (provincial) treasurer and carried out by local treasurer;
- g) Other (please specify): _____

17. What are the main duties carried out by the local treasurer in your institute (province)?

- a) Performs bookkeeping and accounting duties exclusively;
- b) Acts as purchasing agent for items of common household usage in local group (ex. food, toiletries, etc.);
- c) Assumes responsibility for ordinary routine maintenance and minor repairs of the house;
- d) Other (please specify): _____

18. Do you have a written role description for the following positions in your institute (province)?

- | | | | | | | |
|--------------------------|--------------------------------------|--------------------------|-----|--------------------------|----|--------------------------|
| <input type="checkbox"/> | a) That of the general treasurer: | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| <input type="checkbox"/> | b) That of the provincial treasurer: | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| <input type="checkbox"/> | c) That of the local treasurer: | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

19. How often does the general (provincial) treasurer have formal meetings with the local (provincial) treasurers?

- a) Annually;
- b) Semi-annually;
- c) Monthly;
- d) On specific circumstances, as required for specific purposes;
- e) Never;
- f) Other (please specify): _____

20. Are the institute's (province's) books audited by an outside agency?

- a) Yes How often? _____
- b) No

21. Are the province's books audited by the general treasurer?

- a) Yes How often? _____
- b) No

22. Are the local treasurer's books audited by the general (provincial) treasurer?

- a) Yes How often? _____
- b) No

PART III: PLANNING AND BUDGETING SYSTEMS

23. Does your institute (province) prepare an annual budget (projection of revenue and expenses)?
- a) Yes (go to question 24)
- b) No (go to question 27)
24. By whom is the overall institute's (province's) budget prepared?
- a) By the general (provincial) treasurer exclusively;
- b) By the chartered accountant exclusively;
- c) The general (provincial) treasurer prepares the entire budget with the assistance of the financial advisory committee;
- d) The general (provincial) treasurer prepares the budget, assisted by the chartered accountant;
- e) The members of the general (provincial) council prepare the budget;
- f) The general (provincial) treasurer integrates the information provided in the province's (local groups') budgets, completes the budget for the overall institute (province) and submits it to the general (provincial) council;
- g) The general treasurer discusses and prepares the institute's budget with the provincial (local) treasurers;
- h) The provincial treasurer and the local treasurers discuss and prepare the province's annual budget together;
- i) Other (please specify): _____
25. How does the general (provincial) treasurer or council inform the members of the institute (province) of the budget or financial projections for the given period?
- a) By a general meeting of the local treasurers and/or local superiors;
- b) By a general meeting of provincial treasurers and/or provincial superiors;
- c) By sending a copy of the institute's (province's) budget to each local (provincial) group;
- d) Members are not informed at all concerning the institute's (province's) budget;
- e) Other (please specify): _____

26. How do the provinces participate in the preparation of the overall institute's budget?
- a) By submitting the province's budget for integration in the institute's budget;
 - b) On a consultation basis only;
 - c) Not at all;
 - d) We do not have any provinces;
 - e) Other (please explain): _____
27. Are local groups required to prepare an annual budget?
- a) Yes (go to question 28)
 - b) No (go to question 29)
28. By whom is the local group's annual budget prepared?
- a) By the local treasurer only;
 - b) By the local superior only;
 - c) By the local treasurer and local superior;
 - d) By the members of the local group;
 - e) Other (please specify): _____
29. How do the local groups participate in the preparation of the overall institute's (province's) budget?
- a) By submitting the local budget for integration in the overall institute's (province's) budget;
 - b) On a consultation basis only;
 - c) Not at all;
 - d) Other: (please specify) _____
30. Do your individual members prepare a personal budget?
- a) Yes
 - b) No

31. How do the individual members participate in the preparation of the local group's budget?
- a) By submitting their own personal budgets (forecasts of expenses and revenue) to the local superior for integration into one overall group budget;
- b) On a consultation basis only;
- c) Not at all;
- d) Other (please explain): _____
32. How is each member's personal allowance or petty cash fund determined? (cash given to members for various personal purposes)
- a) According to the member's personal budget, based on individual needs;
- b) According to a fixed amount, predetermined for the overall institute (province);
- c) The members are not allotted personal or petty cash funds;
- d) Other (please specify): _____
33. In planning various individual apostolate projects or specific activities, how are the financial needs and implications taken into consideration?
- a) By preparing individual or supplementary budgets for each project;
- b) By integrating all apostolate needs in one global budget at the institute (province) level;
- c) Each local group is responsible for the financial implications of its apostolate projects;
- d) Other (please specify): _____
34. In all of your budgets, at the levels of the institute, the province or the local group, do you stipulate a percentage of acceptable variance within which actual expenses may exceed approved budget amount? (EX. actual expenses may exceed the approved budget amount by X % without requiring supplementary budget approval).
- a) Yes What is this percentage? _____
- b) No. All variances from approved budgets (overspent items) must be submitted for approval of supplementary budget.

PART IV: MANAGEMENT OF ASSETS AT THE LEVEL OF THE INSTITUTE (PROVINCE)

35. How is your cash fund administered?

- a) Each local group administers its own bank account; authorizations for signatures are given by the Corporation.
- b) All cash from all groups is deposited into one central account from which distribution is made to local groups from central treasury, as required;
- c) Other (please specify): _____

36. Do you maintain an inventory file of all furniture and equipment which is in each one of your local houses?

- a) Yes
- b) No

37. Do you record depreciation expenses?

- a) For all real estate property only;
- b) For all the assets, to which depreciation charges may apply;
- c) For automobiles and equipment only;
- d) Not at all;
- e) Other (please specify): _____

38. What is the decision-making process pertaining to investment of surplus funds? (Long-term or relatively permanent investments)

- a) The general (provincial) treasurer exclusively makes all decisions pertaining to use of surplus funds for the overall institute (province);
- b) The decisions are made by the general (provincial) treasurer, after consultation with an advisory committee comprising of lay experts in the investment field;
- c) The members of the general (provincial) council make all decisions pertaining to the investment of surplus funds;
- d) The general (provincial) council makes all decisions pertaining to the investment of surplus funds, after consultation with an advisory committee comprising of lay experts in the investment field;

(cont. p. 9)

38. (continued)

- e) Surplus funds are not invested;
- f) Other (please specify): _____

39. What is the method of assessment of contributions made by local groups to the general (provincial) administration?

- a) Each local group is assessed on the basis of a fixed percentage of the yearly gross income;
- b) Each local group is assessed on the basis of a fixed percentage of the net income of the year;
- c) Each local group is assessed on a per capita basis;
- d) Each local group forwards all surplus cash to the general (provincial) administration periodically;
- e) Other (please specify): _____

40. Further to question number 39, is the same procedure followed with respect to the assessment of contributions made by the provincial administration to the general administration?

- a) Yes
- b) No. Please specify: _____

PART V: GENERAL RECORDING PROCEDURES

41. Is your accounting system computerized?

- a) Yes
- b) No

42. Do you have an established chart of accounts for the overall institute (province)?

- a) Yes
- b) No

43. Is your chart of accounts supplemented by nomenclature and definitions of the items which are to be recorded in the various accounts?

a) Yes

b) No

44. Do you have a written description of your accounting methods and procedures?

a) Yes

b) No

45. Does the general (provincial) administration provide each local group with a uniform set of books for financial bookkeeping and accounting?

a) Yes

b) No

46. What method of accounting do you use?

a) Cash basis

b) Accrual basis

c) Combination of both (modified accrual)

47. Do you employ fund accounting procedures?

a) Yes

Entirely

Partly

b) No

PART VI: FINANCIAL REPORTING PROCEDURES

48. Do you have a standardized form for your financial statements?

a) Yes

b) No

49. How often do the provincial treasurers submit revenue and expense statements to the general administration?

- a) Annually;
- b) Semi-annually;
- c) Not at all
- d) We do not have any provinces;
- e) Other (please specify) _____

50. How often do the local groups submit a revenue and expense statement to the general (provincial) treasurer?

- a) Monthly;
- b) Four times per year;
- c) Semi-annually;
- d) Annually;
- e) Not at all;
- f) Other (please specify): _____

51. By whom are the institute's (province's) financial statements prepared?

- a) By the general (provincial) treasurer only;
- b) By the chartered accountant only;
- c) By the general (provincial) treasurer and chartered accountant;
- d) By the general (provincial) treasurer with the assistance of the financial advisory committee;
- e) Other (please specify): _____

52. What distribution is made of your financial statements (institute or province)?

- a) The financial statements are for internal use by the general council only;
- b) The statements are distributed to all local groups in the institute (province);
- c) Selected and partial information is made known to all members of the institute (province), but not the entire reports;
- d) The bishop of the diocese receives a copy of our financial statements;
- e) The federal government receives the copies required by fiscal legislation, when applicable;
- f) Disclosure or distribution of financial statements to other agencies (please specify:

*Do you wish to offer further comments or suggestions concerning this study,
or any items in the questionnaire?*

Name of person who completed this questionnaire:

Title or function:

Address:

A sincere thank you! Your collaboration and contribution are very precious!

QUESTIONNAIRE ADRESSE AUX ECONOMES GENERAUX ET PROVINCIAUXDES COMMUNAUTES RELIGIEUSES AU CANADAPARTIE I: RENSEIGNEMENTS GENERAUX

01. Nom de l'Institut: _____ Sigle _____

02. Etes-vous un institut:

- a) Actif
 b) Contemplatif
 c) Monastique

03. Etes-vous:

- a) Pères
 b) Frères
 c) Soeurs

04. Est-ce que la personne qui complète ce questionnaire est:

- a) Econome général (allez à la question 05)
 b) Econome provincial (allez à la question 06)

05. En tant qu'économe général, avez-vous des provinces au Canada?

- a) Oui
 b) Non

06. En tant qu'économe provincial: votre économe général est-il au Canada?

- a) Oui
 b) Non

NOTA BENE: Si vous êtes économe général, veuillez répondre aux questions en fonction de l'ensemble de votre institut.

Si vous êtes économe provincial, veuillez répondre aux questions en fonction de votre province seulement.

PARTIE II: ORGANISATION DE LA FONCTION FINANCIERE DE VOTRE INSTITUT

07. L'économiste général (provincial) actuel est-il:

- a) Membre élu du conseil général (provincial);
- b) Membre ex-officio du conseil général (provincial);
- c) Pas membre du conseil du tout;

08. Comment est choisi l'économiste général (provincial) dans votre institut (province)?

- a) Elu comme tel par les délégués du Chapitre Général ou Provincial;
- b) Nommé par les membres du conseil général (provincial), parmi ses membres élus;
- c) Nommé par les membres du conseil général (provincial), parmi les membres de l'institut (province) en dehors du conseil;
- d) Autre (veuillez spécifier): _____

09. Est-ce que vos constitutions ou vos politiques financières précisent les qualifications requises de la personne désignée pour gérer les biens temporels de votre institut (province)?

- a) Oui
- b) Non

10. Est-ce que vos constitutions (directoire ou statuts) identifient et définissent les actes juridiques que vous devez considérer comme étant actes dits "d'administration ordinaire" et actes dits "d'administration extraordinaire, en précisant le niveau administratif ayant l'autorisation de réaliser chaque catégorie?

- a) Oui
- b) Non

11. Est-ce que l'économiste général (provincial) travaille avec un comité aviseur en matières financières, auprès duquel il prend conseil?

- a) Oui (Allez à la question 12)
- b) Non (Allez à la question 13)

12. Quelle est la composition de votre comité aviseur en matières financières?
(Veuillez indiquer le nombre de personnes pour chaque catégorie)

- a) Religieux, membres de votre institut (province); nombre: _____
- b) Religieux, membres de d'autres instituts; nombre: _____
- c) Clergé diocésain; nombre: _____
- d) Comptables agréés; (laïcs); nombre: _____
- e) Autres laïcs; veuillez indiquer la profession de ces personnes;
nombre: _____
professions: _____

13. Quelle est la structure administrative quant aux prises de décisions en
matières financières dans votre institut (province)?

- a) Toutes décisions se rapportant aux affaires courantes et ordinaires sont prises par l'économiste général (provincial);
- b) Toutes décisions se rapportant aux affaires non-courantes ou extraordinaires sont prises par l'économiste général (provincial);
- c) Toutes décisions se rapportant aux affaires non-courantes ou extraordinaires sont prises par le supérieur majeur et exécutées par l'économiste général (provincial);
- d) Toutes décisions se rapportant aux affaires non-courantes ou extraordinaires sont prises par le conseil général (provincial) et exécutées par l'économiste général (provincial);
- e) Toutes questions se rapportant aux affaires extraordinaires sont discutées avec le comité aviseur en matières financières, et soumises par la suite aux membres du conseil général (provincial) pour décision finale;
- f) Autre: (Spécifiez) _____

14. Quelles sont les fonctions principales de l'économiste général (provincial)?

- a) Exécute toutes tâches de tenue de livres et comptabilité;
- b) Supervise et dirige un personnel de soutien qui exécute les tâches de tenue de livres et comptabilité;
- c) Supervise et dirige tous projets de construction et de réparations majeures pour l'ensemble de l'institut (province);
- d) Supervise et dirige un service central d'achats pour l'ensemble de l'institut (province);

(suite p. 3)

14. (suite)

- e) Agit exclusivement en tant que conseiller en matières financières auprès des membres du conseil général (provincial);
- f) Autres fonctions importantes: _____

15. Comment sont nommés les économes au niveau local dans votre institut (province)?

- a) Nommés exclusivement par le supérieur majeur;
- b) Nommés exclusivement par le supérieur local;
- c) Nommés par le supérieur majeur, sur recommandation du supérieur local;
- d) Nommés par les membres du conseil général (provincial);
- e) Choisis par les membres du groupe local respectif;
- f) Autre: _____

16. Quelle est la structure administrative quant aux prises de décisions en matières financières au niveau local de votre institut (province)?

- a) Toutes décisions se rapportant aux affaires ordinaires et courantes sont prises par l'économe local;
- b) Toutes décisions se rapportant aux affaires ordinaires sont prises par l'ensemble du groupe local et exécutées par l'économe local;
- c) Toutes décisions se rapportant aux affaires ordinaires sont prises par le supérieur local et exécutées par l'économe local;
- d) Toutes décisions se rapportant aux affaires extraordinaires sont prises par le supérieur local;
- e) Toutes décisions se rapportant aux affaires extraordinaires sont prises par le groupe local et exécutées par l'économe local;
- f) Toutes décisions se rapportant aux affaires extraordinaires sont prises par l'économe général (provincial) et exécutées par l'économe local;
- g) Autre: _____

17. Quelles sont les fonctions principales exécutées par l'économiste local dans votre institut (province)?
- a) Exécute les tâches de tenue de livres (comptabilité) exclusivement;
- b) Est responsable d'achats des articles en usage commun pour l'ensemble du groupe (ex. nourriture, articles de toilette, etc.);
- c) Est responsable de l'entretien ordinaire et de réparations mineures de la maison;
- d) Autres: _____
18. Avez-vous une définition écrite des rôles suivants?
- | | | |
|--|-----|-----|
| <input type="checkbox"/> a) Celui de l'économiste général | Oui | Non |
| <input type="checkbox"/> b) Celui de l'économiste provincial | Oui | Non |
| <input type="checkbox"/> c) Celui de l'économiste local | Oui | Non |
19. Comment souvent l'économiste général (provincial) rencontre-t-il, en réunion formelle, les économistes provinciaux (locaux)?
- a) Une fois l'an;
- b) Deux fois l'an;
- c) Une fois le mois;
- d) En circonstances spéciales, lorsqu'un besoin spécifique le commande;
- e) Jamais;
- f) Autre: _____
20. Est-ce que les livres de comptes de l'institut (province) sont vérifiés par une agence extérieure?
- a) Oui Comment souvent? _____
- b) Non
21. Est-ce que les livres de comptes des provinces sont vérifiés par l'économiste général?
- a) Oui Comment souvent? _____
- b) Non

25. De quelle manière l'économiste ou le conseil général (provincial) informe-t-il les membres de l'institut (province) des prévisions budgétaires ou de la planification financière pour une période donnée (pour l'ensemble de l'institut ou de la province)?

- a) Par une rencontre générale des économistes et/ou supérieurs locaux;
- b) Par une rencontre générale des économistes et/ou supérieurs provinciaux;
- c) En envoyant une copie des prévisions budgétaires dans chaque groupe local ou province;
- d) Les membres ne sont pas informés des prévisions budgétaires;
- e) Autre: _____

26. Comment les provinces participent-elles à la préparation des prévisions budgétaires de l'institut?

- a) En remettant les prévisions budgétaires de la province à l'économiste général, afin que celles-ci soient intégrées au budget de l'ensemble de l'institut;
- b) A base de consultation seulement;
- c) Pas du tout;
- d) Nous n'avons pas de provinces;
- e) Autre: _____

27. Est-ce que la préparation du budget (prévisions budgétaires) est obligatoire pour vos groupes locaux?

- a) Oui (Allez à la question 28)
- b) Non (Allez à la question 29)

28. Qui prépare le budget (les prévisions budgétaires) au niveau local?

- a) L'économiste local (seul);
- b) Le supérieur local (seul);
- c) L'économiste local et le supérieur local;
- d) Les membres du groupe local;
- e) Autre: _____

29. De quelle manière les groupes locaux participent-ils à la préparation des prévisions budgétaires de l'institut (province)?
- a) En remettant les prévisions budgétaires du groupe local à l'économiste général (provincial) afin que celles-ci soient intégrées au budget de l'ensemble de l'institut (province);
 - b) A base de consultation seulement;
 - c) Pas du tout;
 - d) Autre: _____
30. Est-ce que les membres individuels de votre institut (province) préparent des prévisions budgétaires ou un budget personnel?
- a) Oui
 - b) Non
31. De quelle manière les membres individuels participent-ils à la préparation des prévisions budgétaires du groupe local?
- a) En remettant leurs prévisions personnelles (revenus et dépenses) au supérieur local, afin que celles-ci soient intégrées au budget de l'ensemble du groupe local;
 - b) A base de consultation seulement;
 - c) Pas du tout;
 - d) Autre: _____
32. Comment déterminez-vous le montant de l'allocation ou petite caisse remise aux membres pour leurs besoins personnels?
- a) Selon les prévisions budgétaires personnelles du membre, en fonction de ses besoins personnels;
 - b) Selon un montant fixe, stipulé pour l'ensemble de l'institut (province);
 - c) Nos membres ne reçoivent pas d'allocation ou de petite caisse personnelle;
 - d) Autre: _____

33. En ce qui concerne les projets spéciaux ou activités apostoliques bien spécifiques, de quelle manière tenez-vous compte des implications financières?

- a) En préparant des prévisions budgétaires supplémentaires, un budget spécifique pour chaque projet spécial;
- b) Toutes activités apostoliques sont intégrées en un seul budget global au niveau de l'institut (province);
- c) Chaque groupe local est responsable des implications financières de ses projets apostoliques;
- d) Autre: (veuillez préciser) _____

34. Dans tous vos budgets, soit de l'institut, soit de la province, soit au niveau local, est-ce que vous stipulez un pourcentage d'écart à l'intérieur duquel vous permettez que les frais réels excèdent les frais prévus. (Ex. On peut excéder les dépenses prévues de X %, sans avoir à demander approbation d'un supplément de budget. Ecart de tolérance).

- a) Oui Quel est ce pourcentage? _____
- b) Non. Tout écart budgétaire exige une approbation supplémentaire de budget.

PARTIE IV: GESTION DES ACTIFS AU NIVEAU DE L'INSTITUT (PROVINCE)

35. De quelle manière la caisse est-elle gérée?

- a) Chaque groupe local administre son propre compte bancaire; les autorisations de signatures sont sanctionnées par la Corporation;
- b) Tout argent est déposé en un seul compte central, duquel les allocations sont distribuées à chaque groupe au besoin;
- c) Autre: (veuillez spécifier) _____

36. Est-ce que vous maintenez des fiches d'inventaire de tous les meubles et équipements qui sont dans chacune de vos maisons?

- a) Oui
- b) Non

37. Est-ce que vous comptabilisez les frais d'amortissement?

- a) Pour immeubles seulement;
- b) Pour tous les actifs auxquels les frais d'amortissement sont imputables;
- c) Pour les voitures et l'équipement seulement;
- d) Pas du tout;
- e) Autre: (veuillez préciser) _____

38. Quel est votre processus de prise de décision par rapport à l'investissement des surplus de fonds? (Placements relativement permanent ou à long-terme).

- a) L'économiste général (provincial) prend exclusivement toutes décisions par rapport aux investissements;
- b) L'économiste général (provincial) prend les décisions par rapport aux investissements, après consultation auprès d'un comité aviseur composé d'experts en investissements;
- c) Le conseil général (provincial) prend exclusivement toutes décisions par rapport aux investissements;
- d) Le conseil général (provincial) prend les décisions, après consultation auprès du comité aviseur composé d'experts en investissements;
- e) Les surplus de fonds ne sont pas investis;
- f) Autre: (veuillez préciser) _____

39. Comment déterminez-vous les montants de cotisations ou de contributions que doivent remettre les groupes locaux à l'administration générale (provinciale)?

- a) Chaque groupe contribue en fonction d'un pourcentage de son revenu annuel brut;
- b) Chaque groupe contribue en fonction d'un pourcentage de son revenu annuel net;
- c) Chaque groupe contribue sur une base per capita;
- d) Chaque groupe envoie tous fonds de surplus à l'administration générale (provinciale) périodiquement;
- e) Autre: (veuillez préciser) _____

40. Suite à la question précédente, est-ce que la même méthode est employée quant aux contributions que doit faire la province à l'administration générale?

- a) Oui
- b) Non; veuillez spécifier: _____
- c) Nous n'avons pas de provinces.

PARTIE V: PROCEDURES DE COMPTABILISATION

41. Est-ce que votre système de comptabilité est informatisé (traité par ordinateur)?

- a) Oui
- b) Non

42. Avez-vous une liste codifiée des comptes, établie pour l'ensemble de votre institut (province)? (chart of accounts)

- a) Oui (Allez à la question 43)
- b) Non (Allez à la question 44)

43. Est-ce que votre liste codifiée des comptes est accompagnée des définitions des items qui doivent apparaître dans les comptes spécifiques?

- a) Oui
- b) Non

44. Est-ce que vos procédures comptables sont définies par écrit?

- a) Oui
- b) Non

45. Est-ce que l'administration générale (provinciale) fournit à chaque groupe local un service de livres de comptes et de registres, uniformes pour l'ensemble de l'institut (province)?

- a) Oui
- b) Non

46. Quelle méthode de comptabilité employez-vous?

- a) Comptabilité d'exercice (accrual basis);
- b) Comptabilité de caisse (cash basis of accounting);
- c) Comptabilité d'exercice modifiée (modified accrual; une combinaison des deux).

47. Est-ce que vous employez la comptabilité de fonds (fund accounting) pour les affaires de l'institut (province)?

- a) Oui En entier En partie
- b) Non

PARTIE VI: RAPPORTS FINANCIERS DE L'INSTITUT (PROVINCE)

48. Avez-vous des formules standardisées pour vos rapports financiers?

- a) Oui
- b) Non

49. Comment souvent les économistes provinciaux remettent-ils un état de revenus et dépenses à l'administration générale?

- a) Une fois l'an;
- b) Deux fois l'an;
- c) Pas du tout;
- d) Nous n'avons pas de provinces;
- e) Autre: (veuillez spécifier) _____

50. Comment souvent les groupes locaux remettent-ils un état de revenus et dépenses à l'économiste général (provincial)?

- a) Chaque mois
- b) Quatre fois l'an
- c) Deux fois l'an

(suite p. 12)

50. (suite)

- d) Une fois l'an;
- e) Pas du tout;
- f) Autre: (veuillez spécifier): _____

51. Qui prépare les rapports financiers de l'institut (province)?

- a) L'économiste général (provincial) seul;
- b) Le comptable agréé seul;
- c) L'économiste général (provincial) et le comptable agréé;
- d) L'économiste général (provincial) avec l'aide du comité aviseur en matières financières;
- e) Autre: (veuillez spécifier) _____

52. Quelle distribution est faite de vos états financiers (institut ou province)?

- a) Les états financiers sont pour usage interne du conseil général (provincial) seulement;
- b) Les états financiers sont distribués à chaque groupe local (province) de l'institut;
- c) Certains renseignements sont distribués aux membres de l'institut (province), mais pas les rapports en entier;
- d) L'évêque du diocèse reçoit une copie de nos rapports financiers;
- e) Le gouvernement fédéral reçoit les renseignements exigés par loi des impôts;
- f) Autre distribution des états financiers à d'autres agences: (veuillez spécifier)
- _____

Désirez-vous offrir d'autres commentaires ou suggestions se rapportant à cette étude ou à quelque numéro du questionnaire?

Nom de la personne ayant complété ce questionnaire:

Titre ou fonction:

Adresse:

Un merci bien sincère! Votre collaboration et votre contribution sont

BIEN PRÉCIEUSES!

Appendix B

Copies of Correspondence Used For Data Collection Purposes

In English Language
In French Language

Notre-Dame d'Acadie
Notre-Dame d'Acadie

343, rue Archibald

Moncton, N.B., October 7..... 1977

Dear brother or sister religious,

I am presently pursuing a study in the field of "Financial Management of Religious Congregations in Canada." This study will fulfill the thesis requirement for my PhD degree at Indiana University.

The broad objective of this study is to provide general standard guidelines for religious congregations' financial accounting, reporting and control. Specific inferences will be made to the requirements of the amended tax law (Bill C-22).

I feel that a study of existing procedures and control systems is a logical starting point. The enclosed questionnaire will serve as a basis for the field study, by considering the overall system of accounting and reporting, as well as control methods used in Canadian religious congregations. It will ultimately be sent to all general and/or provincial treasurers who are members of the C.R.C.

Fully realizing that you are a very busy person, may I nonetheless humbly ask your assistance in this endeavour. Could you take a few minutes of your time to react to this questionnaire. My purpose in asking this service is to establish the validity of the questionnaire. (Will it achieve the purpose for which it is intended?) As you read over the questions, perhaps you could consider the following two points:

- 1) Do these questions adequately cover the topic?
- 2) What other questions would you consider to be pertinent to a study of this nature?

Please feel free to critique and comment on any aspect that you feel could have a bearing on the purpose of this endeavour.

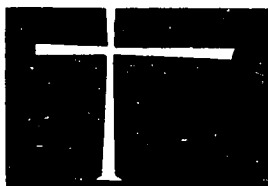
The persons with whom I have discussed this project have thus far been most encouraging and optimistic about it. We feel that the results of this study could be most helpful (at best informative) to treasurers in their task. The assistance you will provide will contribute to the overall benefits we hope to derive by pursuing this topic. May we count on your cooperation?

In His service, I remain,

Respectfully yours,

Encl.

Sister Pauline Landry, ndcc



Montreal, January 18, 1982

TO MAJOR SUPERIORS, MEMBERS OF THE C.R.C.

In the documentation which accompanies this letter, Sister Pauline Landry, n.d.s.c. is addressing herself to you in order to seek information concerning the financial management of your institute. Sister Landry is presently working toward completion of a doctoral dissertation on that topic at Indiana University.

In anticipation, I thank you for the collaboration that you will bring to this research, the results of which, when published, will provide assistance to the administrators of religious congregations.

Sister Landry assures the confidential character of all information that you will kindly supply. The final report will include only syntheses of all individual reports.

With the expression of my fraternal greetings,

Louise Côté, C.N.D.

Louise Côté, C.N.D.
President

canadian religious conference

324 LAURIER AVENUE EAST, OTTAWA, K1N 6P6 / TEL. 236-0824

Dear brother or sister religious:

I am presently pursuing a study on the topic of "Financial Management of Religious Congregations in Canada." The broad objective of this study is to provide general, standard guidelines for religious congregations' financial accounting, reporting and control; specific inferences will be made to the requirements of the revised Codes of Canon Law, as well as to recently published CICA "Guidelines for Nonprofit Accounting." The enclosed questionnaire seeks information as to the existing practices and procedures in our communities' financial management; it attempts to cover to major aspects of our financial activities, and to identify the relationships between levels of administration. (Hence, the large number of questions ...)

Anonymity and confidentiality are assured in two ways: (1) all individual responses will be processed by computer programming; (2) responses will be published in synthesis form only.

I fully realize that you are an extremely busy person; I also realize that the questionnaire contains numerous items; however, may I nonetheless request your assistance in this endeavour. We have, in our communities, some extremely competent and capable treasurers; others are striving and learning "on the job." Perhaps this research study could provide a vehicle through which some of the expertise could be shared.

You may also wish to consider sharing some of your written documents, such as charts of accounts with nomenclatures, accounting procedures, role or job descriptions, financial policies, etc. These could be integrated into appendices, and added to the final report of this research. Please feel free to enclose any such document with your completed questionnaire.

Before responding to the enclosed questionnaire, please note the following:

1. All questions are aimed at providing a description of your procedures, systems, etc., an attempt has been made to avoid questions which could be of an indiscrete or confidential nature.
2. The questions are not seeking one correct reply; if one or more of the items within each question describes your method or situation, such is the information that is being sought. Kindly respond by checking the items which are applicable to you.
3. This questionnaire has been sent to all general and provincial treasurers in Canada. Please respond for your own accounting entity, the unit over which you exercise financial responsibility. Please do not fear to duplicate information which may have been submitted by other provinces in your institute. We are seeking your input as an accounting entity.

May we count on your kind cooperation to return the completed questionnaire in the enclosed stamped envelope no later than FEBRUARY 17, 1982.

In His service, I remain,

Respectfully yours,
Pauline Landry, A.S.
Pauline Landry, n.d.s.c.

27 01 82

110 Eigenmann Centre
 Bloomington, IN
 47406
 15 04 82

Dear brother or sister religious,

On January 27, 1982, I sent you a questionnaire to be completed by your general (provincial) treasurer, along with two explanatory letters endorsing same. Copies of these documents are herewith enclosed. Since your response has not yet reached me, would you kindly respond to the following questions by checking the item which is applicable to you in this matter:

- 1) This questionnaire was completed and returned to you on (date): _____
- 2) Since two questionnaires had been forwarded to the same administrative unit (general or provincial), the response has been completed and returned by: (name and address of person)
- _____

(The information supplied by the above person applies equally to our administrative unit.)

- 3) The initial mailing has escaped my attention (not been received, inadvertently been overlooked, etc.); I am therefore returning the completed questionnaire, as requested.
- 4) The questions contained in this survey do not apply at all to our administrative structure, and we are therefore unable to supply the required information.
- 5) We do not wish to participate in this study at the present time.

Since the above information is essential for the final tabulation and analysis of the data which are an integral part of this study, may I appeal to your generosity in forwarding your reply by return mail. A self-addressed envelope is enclosed for your convenience.

Please accept my sincere gratitude for your precious collaboration.

Respectfully yours,

NAME AND ADDRESS OF PERSON
 COMPLETING THIS REQUEST:

Pauline Landry, ndsc
 Encls (3)

PLEASE NOTE:

**This page not included with
original material. Filmed as
received.**

University Microfilms International



Montréal, 18 janvier 1982

AUX SUPERIEURS (ES) MAJEURS (ES)
MEMBRES DE LA CRC

Dans la documentation qui accompagne cette lettre, Soeur Pauline Landry, n.d.s.c., s'adresse à vous pour vous demander des renseignements sur la gestion financière de votre communauté. Soeur Landry travaille actuellement à une thèse de doctorat sur cette question, à l'Université d'Indiana.

D'avance, je vous remercie de la collaboration que vous accorderez à cette recherche dont les résultats, une fois publiés, pourront servir aux administrateurs de communautés religieuses.

Soeur Landry assure le caractère confidentiel des renseignements que vous voudrez lui fournir. Le rapport final ne comprendra que la synthèse des rapports individuels.

Avec l'expression de mes sentiments fraternels,

Louise Côté, C.N.D.

Louise Côté, C.N.D.
présidente

conférence religieuse canadienne

324 AVENUE LAURIER EST, OTTAWA, CANADA / TÉL. 236-0824

Cher(e) collègue en vie religieuse;

Je poursuis présentement une étude au sujet de la "Gestion Financière des Communautés Religieuses au Canada." L'objectif général de cette étude est surtout de dégager quelques points de référence au sujet de la comptabilité, du contrôle et des rapports financiers de nos communautés religieuses; les points de référence seront donnés à la lumière du nouveau Code de Droit Canon, et du récent rapport de l'ICCA au sujet de la comptabilité des sociétés à buts non-lucratifs. Le questionnaire ci-joint vise à identifier les procédures et les systèmes de gestion financière qui existent présentement dans nos communautés; il vise également à identifier les relations entre les divers niveaux d'administration: générale, provinciale, locale. C'est pourquoi vous y trouverez un si grand nombre de questions ...

L'anonymat et le caractère confidentiel sont assurés de deux manières: (1) Toutes réponses individuelles seront traitées par ordinateur; (2) les réponses seront publiées sous forme de synthèse seulement.

Je réalise pleinement que vous êtes des gens extrêmement occupés; je réalise aussi que ce questionnaire est long; toutefois, puis-je néanmoins solliciter votre collaboration à ce projet. Nous avons, dans nos communautés au Canada, des économistes qui sont très compétent(e)s, et très habiles; d'autres font leur possible pour apprendre le travail en cours d'emploi. Peut-être cette étude, ce projet de recherche, pourrait-il offrir un excellent moyen de partager cette compétence.

Vous voudrez peut-être aussi partager certains de vos documents écrits, tels vos procédures, listes de comptes et nomenclatures, formules, descriptions de tâches, politiques financières, etc. Ces documents pourraient être intégrés en appendices et ajoutés au rapport final de cette recherche. Soyez tout à fait à l'aise d'inclure de telles pièces avec votre questionnaire complété.

Au sujet du questionnaire ci-joint, vous voudrez bien noter les points suivants:

1. Toutes les questions visent à obtenir une description de vos procédures, systèmes, etc; nous avons voulu éviter toutes questions de nature indiscrète ou confidentielle.
2. Les questions ne cherchent pas une bonne réponse; si une ou plusieurs des réponses correspondent à votre méthode ou situation, telle est l'information recherchée. Veuillez cocher les réponses qui vous rejoignent.
3. Ce questionnaire est envoyé à tous les économistes généraux et provinciaux du Canada. Veuillez réagir en fonction de votre entité comptable, de l'unité auprès duquel vous exercez la responsabilité financière; ne craignez pas de répéter des renseignements qui auraient pu être soumis par d'autres provinces de votre institut. Nous sollicitons votre "input" en tant qu'entité comptable.
4. Vous remarquerez l'usage général du genre masculin dans la rédaction du texte; cela, afin de simplifier la lecture et d'alléger la rédaction des phrases.

Pouvons-nous compter sur votre aimable collaboration, pour nous retourner ce questionnaire complété au plus tard le 17 FEVRIER 1982. Vous y trouverez une enveloppe préparée à cet effet.

Avec l'expression de mes sentiments respectueux,

Pauline Landry
Pauline Landry, n.d.s.c.
27 01 82

110 Eigenmann Centre
 Bloomington, IN
 47406
 15 04 82

Cher(e) collègue en vie religieuse,

Le 27 janvier dernier, je vous faisais parvenir un questionnaire adressé à l'intention de votre économiste général(e) (provincial(e)), ainsi que deux lettres explicatives à l'appui de ce questionnaire. Des copies de ces documents sont incluses ci-joints. Puisque votre réponse ne m'est pas encore parvenue, auriez-vous l'obligeance de cocher (parmi les questions suivantes) la réponse qui vous rejoint:

- 1) Le questionnaire complété vous a été retourné le (date): _____
- 2) Puisque deux copies du questionnaire ont été envoyées à la même unité administrative (générale ou provinciale), les renseignements fournis par la personne suivante sont également applicables à notre administration: (nom et adresse de cette personne)
- _____
- 3) Le premier envoi m'a échappé (pas reçu, reçu mais mis en oubli, etc.); je retourne donc, ci-joint, le questionnaire dûment complété.
- 4) Les questions que vous nous soumettez ne s'appliquent pas du tout à notre structure administrative, et nous ne sommes donc pas en mesure de fournir les renseignements voulus.
- 5) Nous ne désirons pas participer à cette étude présentement.

Puisque ces renseignements me sont essentiels pour la compilation finale des données qui font partie de cette recherche, puis-je faire appel à votre générosité pour me faire parvenir votre réponse par retour du courrier.

Votre collaboration est très précieuse, et je vous prie d'accepter l'expression de ma reconnaissance.

Pauline Landry, ndsc
 Pièces jointes (3)

NOM ET ADRESSE DE LA PERSONNE
 AYANT COMPLETE CETTE DEMANDE:

VITA

Sister Pauline Landry was born in Moncton, New Brunswick (Canada), on August 5, 1932, where she also completed her elementary and secondary education. She became a member of Les Religieuses de Notre-Dame du Sacre-Coeur in 1958.

She completed her undergraduate studies at l'Universite de Moncton, where she obtained both the Baccalaureat en Sciences Commerciales and Baccalaureat en Education. In 1968, she obtained the Maitrise en Sciences Commerciales from that same institution. She enrolled at Indiana University in 1972, where she obtained the Masters' in Education degree in 1974, and the PhD degree in 1982.

Her professional experience includes high school and university teaching in business administration, accounting and teacher education; working with the New Brunswick Department of Education as Business Education Consultant for the francophone secondary schools of that province; working with the New Brunswick Hospital Association as provincial Director of Education; working with the national office of the Canadian Religious Conference in Ottawa, as assistant director of Continuing Education.

Sister Landry is a member and has held offices in various professional organizations.