

**General Secretariat
For Finance**

**PROVINCIAL
TOTAL COMMON
FUND

GENERAL NORMS**

Rome – 18 October 2012

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To the Superiors of circumscriptions and their Councils
To all confreres

Dear Confreres,

Ref: General Norms for the Provincial Total Common Fund Decree of Application

I am pleased to wind up with the publication of the “**General Rules – Provincial Total Common Fund**” the process that gave effect to the mandate of the XVII General Chapter n. 150.3 on the need to establish “*general norms so that the Total Common Fund (TCF) might include every activity in the budget of the Circumscriptions: projects, sectors, pastoral and community activity and expenses*”.

Immediately after the conclusion of the Chapter, having consulted the General Council, I entrusted the General Secretariat for Finances with the task of drafting these norms, aware that without this work of clarification and legislation, it would have been difficult to achieve the ambitious goal of extending to all the circumscriptions the implementation of the Total Common Fund by the beginning of the XVIII Chapter (second half of 2015). The request made to the General Secretary for Finances selected the date of the Intercapitular 2012 as the last opportunity to assess the consensus reached by the draft of the Norms.

I am grateful to the General Secretariat for Finances and to all the confreres who have collaborated, in particular to the General Treasurer’s Office, for the valuable work of drafting the norms and for the widespread consultation and verification during the document’s elaboration. The widespread consultation leads me to believe that this document meets, in addition to the intrinsic need to further clarify and standardize, the need to be a shared product and, therefore, to be swiftly implemented. The Intercapitular Assembly held in September has welcomed the 5th Draft of the above Document, pledging to provide any further suggestions by September 30, 2012: in the absence of any communication on this issue, the draft would become the final document. This is what happened.

The document, as the Superiors of the circumscriptions and many treasurers consulted have had the opportunity to see, is limited to the essential legislation, leaving its implementation to the concrete situation of each circumscription and to the work of revising the Directory, which is to be undertaken as soon as possible. Everything that must be specified in the Directory is explained in summary diagrams, which are found in each chapter of the document and make the consultation very easy. I wish to point out also the section on the new tasks under the responsibility of the Secretariat for Finances of each circumscription, to be adequately reflected by the extension of the mandate of each Secretariat that the Circumscription Councils will have to implement.

With this decree I make, then, mandatory, on this date, the norms and the instructions here contained, asking all the circumscriptions to acquiesce in this as soon as possible and not later than the date of the starting of the next Chapter.

I entrust to St. Joseph and to St. Daniel Comboni the wish that this step will bring us much closer the achievement of that ideal in sharing, community life and fidelity to the vow of poverty that has driven the recent Chapters to complete this major reform concerning our way of dealing with material goods.

Faternally,

P. Enrique Sánchez González
Fr. Enrique Sanchez Gonzalez
Superior General

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41.	Province - DG Income	
Balance Province Loss-Profit		
32.	Communities Expenditure	
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Balance Enterprise 2 Loss-Profit		
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49.	Enterprise 3 Income	
Balance Enterprise 3 Loss-Profit		
BALANCES TOTAL - RESULT OF THE YEAR		

Notes

- COM Items only for the Communities
 DG Items only for the General Direction
 SC Items only for the Scholasticates/CIF

1. Introduction

*They all ate as much as they wanted,
and they collected the scraps left over, twelve baskets full.*

Mt 14:20

The XV General Chapter (1997) “recommended strongly the setting up of a total provincial common fund that may gather all the incomes which will be distributed equally to the communities according to their needs and the common planning.” (CA '97 n.181).

Six years later the Chapter delegates stressed once again their support for “all forms of sharing of economic goods at all levels: community, provincial and the whole Institute” and the choice to favour the “the option of the Common Fund at provincial level¹, to pursue provincial objectives that result from a common discernment.” (CA '03 n.102).

It was the turn of the XVII General Chapter (2009) to reach the decision to promote the “TCF in all Circumscriptions before the next Chapter”. In order to reach this target the Chapter admits the necessity of an intermediate stage: “all the Circumscriptions, over the next three years, should take the steps necessary to permit the adoption of the TCF: the presentation of the community budget, the distribution of the *superavit*, accountability to the finance secretariat of the Circumscription, the approval of community projects, etc.” (CA '09, n.150.2)

However, during the years since then, many uncertainties and misunderstandings have arisen. On the one hand, this was due to the variety of points of view through which the TCF has been interpreted in the circumscriptions that have applied it; on the other hand, it was due to the different opinions about how the aspects of the economical activities should be integrated within the TCF. For this reason, the General Chapter has asked the General Secretary for finance to “establish general norms such

¹ For practical reasons, the term “provincial” is used keeping in mind that what has been said of a province is applied also to a delegation.

that the TCF might include every activity in the budget of the Circumscription: projects, sector, pastoral and community activity and expenses.” (CA '09 n.150.3)

To fulfill the assignment given to him by the General Chapter, the Secretary General for the Economy prepared a draft of these norms and a document of explanation which, starting on December 3, 2010, was circulated in order to receive comments and observations. The text was discussed during the Continental Assemblies and, after the revision of May 2012, it was given to the General Council for approval.

The two initial paragraphs attempt to offer a definition of the TCF and are followed by nine *General Norms*, gathered in two groups: the first four show what belongs under the TCF, while the other five describe the processes of definition, revision and evaluation of budgets. The rest of the document deals with the exploration and the clarification of those aspects that may be more problematic (activities, projects, etc.).

The Norms are very few, but have a *general* and *binding* value. However, a lot of space is left to local choices.

While they are local, these choices must be concrete, otherwise the TCF will not reach its objectives and, instead of eliminating the unwanted differences, it will add new ones. To this end, we have produced charts where the roles of the Provincial Secretary of the Economy and of the provincial Directory are described.

The TCF, even though it includes new technical aspects in the administration of goods, is above all the choice of a new style of life and of more evangelical options such as simplicity and sobriety, the auto-limitation in the use of goods, the choice of smaller structures that are simple and in line with the possibilities of the people, the search for initiatives that will lead to self-sufficiency in order to decrease the dependence from abroad.

Rome, October 18, 2012

	473	Marketing Activities
	474	Selling
	475	Extraordinary Income
	47	Enterprise 1
	48	Enterprise 2
	49	Enterprise 3
4	TOTAL PROFIT	
Year Result: Loss (-) or Profit (+)		

SUMMARY		
Ordinary Income		
	31.	Province
	32.	Communities
	33.	Financial & Estate (B) Management Expense
Extraordinary Expenditure		
	35.	Extraordinary Expenditure
Enterprises Expenditure		
	37.	Enterprise 1
	38.	Enterprise 2
	39.	Enterprise 3
TOTAL LOSS		

Ordinary Income		
	41.	Province
	42.	Communities
	43.	Financial & Estate (B) Management Income
Extraordinary Income		
	45.	Extraordinary Income
Enterprises Income		
	47.	Enterprise 1
	48.	Enterprise 2
	49.	Enterprise 3
TOTAL PROFIT		
RESULT OF THE YEAR		

	38	Enterprise 2
	39	Enterprise 3
3	TOTAL LOSS	

4	PROFIT	
	411	Provincial - General Superior & Council
	412	Provincial - General Secretariat
	413	Basic Formation & Vocation Promotion
	414	Treasury Office and Administration
	415	Other Provincial - General Secretariats
	416	Provincial - General Offices
	417	-
	418	Ordinary Contributions from the Institute (DG)
	419	Other Contributions
	41	Provincial - General Direction
	421	Local Offerings
	422	Overseas Offerings
	423	Mission Promotion
	424	Pastoral Activities
	425	Salaries
	426	Pensions
	427	Contribution from General Direction (SC)
	428	Medical Expense Refund
	429	Miscellaneous
	42	Communities
	431	Financial Activities
	432	Assets B Maintenance (not used)
	43	Financial & Estate (B) Management
	451	Extraordinary Contribution from Institute
	452	Other Extraordinary Contributions
	453	Extraordinary Donations
	454	Inheritance & Legacy
	455	Extraordinary Income
	456	Real Estate Selling
	45	Extraordinary Income
	471	Registration Fees
	472	Institutional Activities

2. The Rules

*Set your hearts on his kingdom first, and on God's saving justice,
and all these other things will be given you as well.*

Mt. 6:33

The Total Common Fund of a circumscription is an economic instrument aimed at giving concreteness to the community planning and “to pursue provincial objectives, fruit of a common discernment” (CA '03, n.102).

The aim of the TCF is to reach an always greater level of sharing and brotherhood, transparency and equity, sense of belonging and responsibility.

- 2.1 The TCF includes all the economic activities of a circumscription at its different levels: Office of the Provincial, Provincial Secretariats, communities, pastoral activities, projects and enterprises.
- 2.2 All the resources or goods that go through the hands of a confrere, are, in a certain way, related to the TCF of his own Circumscription, and thus, this relationship must be explicit, defined, approved and accounted for.
- 2.3 Each confrere channels into the TCF all the money and the material goods that he receives, whether they are offerings, compensations for performances, or revenues of any nature, except what is foreseen at n. 7.9.
- 2.4 When a confrere is involved in a task or work whose management and property are outside the Institute, his position must be regulated by a contract or an agreement that explains rights and duties of the parties, including possible compensations or commitments of a financial nature.
- 2.5 The TCF is built on a system of budgets, reports and verifications, ruled by the Provincial Directory.

- 2.6 Each budget and report must be made known, discussed and approved by all the parties involved.
- 2.7 The final approval of all the budgets and reports is up to the Provincial Council after having examined the written opinion of the Secretariat for the Economy.
- 2.8 It is the responsibility of each confrere to commit himself to search the necessary means for the realization of the planning agreed upon.
- 2.9 The search of the resources needed for the realization of a project or the upkeep of an activity, must take place after the approval of the budget and according to the indications that have been agreed upon.

LOSS & PROFIT A/C		
3		LOSS
	311	<i>Provincial - General Superior & Council</i>
	312	<i>Provincial - General Secretariat</i>
	313	<i>Basic Formation & Vocation Promotion</i>
	314	<i>Treasury Office and Administration</i>
	315	<i>Other Provincial - General Secretariats</i>
	316	<i>Provincial - General Offices</i>
	317	<i>Fees for Future Charges Funds & In. Assets</i>
	318	<i>Ordinary Contributions to the Institute</i>
	319	<i>Other Contributions</i>
	31	<i>Provincial - General Direction</i>
	321	<i>Confreres Upkeep</i>
	322	<i>House Management</i>
	323	<i>Mission Promotion</i>
	324	<i>Office</i>
	325	<i>Employees Cost</i>
	326	<i>Travel</i>
	327	<i>School Fees (SC)</i>
	328	<i>Medical Expense</i>
	329	<i>Miscellaneous</i>
	32	<i>Communities</i>
	331	<i>Financial Activities</i>
	332	<i>Assets B Maintenance (not used)</i>
	33	<i>Financial & Estate (B) Management</i>
	351	<i>Extraord. Contribution to the Institute</i>
	352	<i>Other Extraordinary Contributions</i>
	353	<i>Extraordinary Grants to Provincial Funds</i>
	354	<i>Inheritance Charges</i>
	355	<i>Extraordinary Maintenance Works</i>
	356	<i>Real Estates Acquisition</i>
	35	<i>Extraordinary Expenditure</i>
	371	<i>Enterprise Running</i>
	372	<i>Employees Cost</i>
	373	<i>Maintenance</i>
	374	<i>Aids and Material</i>
	375	<i>Extraordinary Expenditure</i>
	37	<i>Enterprise 1</i>

251	Appropriated Surplus
252	Working Capital
253	Profit-Loss Net Result
254	Rounding UP
25	Net Capital
261	Inalienable Assets Buildings
262	Assets A - Used
263	Assets B - Not Used
264	Vehicles
265	Other Fixed Assets
26	Fixed Assets
271	Current Liabilities
272	Debts with the Provincial Treasury Office
273	Long Term Liabilities
274	Funds
275	Working Capital
276	Profit-Loss Net Result
277	Fixed Assets
27	Enterprise 1
28	Enterprise 2
29	Enterprise 3
2	TOTAL LIABILITIES

3. General Principles

All those who owned land or houses would sell them, and bring the money from the sale of them, to present it to the apostles.
Acts. 4,34-35

From the General Norms

The Total Common Fund of a circumscription is an economic instrument aimed at giving concreteness to the community planning and "to pursue provincial objectives, fruit of a common discernment" (CA '03, n.102).

The aim of the TCF is to reach an always greater level of sharing and brotherhood, transparency and equity, sense of belonging and responsibility.

3.1 Nature of TCF

The TCF is the instrument for sharing material goods that Providence puts at the Institute's disposal for the common mission of all. Through the TCF, missionaries give concreteness to the community planning "in order to pursue provincial objectives which are fruits of a common discernment" (CA '03 n.102)

A common planning requires inevitably the sharing of the material resources needed for its implementation, beside the commitment to gather them.

It is then an instrument: alone, it does not guarantee sobriety, solidarity, fairness, and sharing. Without the involvement of the person and of its freedom, the TCF will not produce anything. There will not be any benefit if the progress of the TCF is not accompanied by a simultaneous journey of personal conversion

and the discovery of deeper bonds among persons joined together by a common commitment of sharing.

3.2 Aim of the TCF

The TCF aims at a growth in the giving of oneself to the missionary ideal and at the overcoming of an individualistic or particularistic instinctive perspective. The sharing of resources makes people grow in fraternity and educates them to work together. Material goods are there to serve the fraternity, not to harm it.

As already affirmed in the RL "the individual missionaries are the greatest gifts" (158.1): Through the TCF it is intended to bring the person to the fore again. The choices regarding the personnel should be less influenced by evaluations of a financial kind, in order to look at the characteristic of each person and at his human qualities.

Through a mechanism of budgets, reports and evaluations, the TCF favours the transparency which represents a great benefit both within and outside the community. If the bursar/treasurer gives proper accounts and careful information, he allows others to be aware of and involved in his work, removing any reason for doubt or suspicion.

"The TCF is both a sign and journey of growth in community life towards a full identification with the Institute and its mission." (CA '09 n.151.1): the XVII General Chapter sees a connection between the adherence to the TCF and the identification with the Institute. And it recommends that: "every confrere should feel responsible for developing and maintaining relations with the church community, benefactors, other bodies and realities that can provide the resources necessary for the life of the Circumscription and community. (CA '09 n.151.2). In the same way, in the first Christian community, "the laying of all that the faithful possessed to the apostles' feet" was considered a sign of a total belonging to the new life. (see Acts 4:34-35).

It is, lastly, an expression of trust in Divine Providence

173	Short Term Credits
174	Credits with Provincial Treasury Office
175	Long Term Credits
176	Investments
177	Fixed Assets
17	Enterprise 1
18	Enterprise 2
19	Enterprise 3
1	TOTAL ASSETS

2	LIABILITIES
211	Communities of the Province
212	Province
213	Procures
214	General Treasury Office
215	Comboni Enterprises
216	Provincial Treasury Office (COM)
217	Mass Intentions
21	Current Liabilities
221	Missions and Projects A/cts
222	Assigned A/cts
223	Suppliers
224	Third Parties A/cts
229	Pending A/cts
22	Third Parties Current Liabilities
231	Missions Deposits
232	Provinces Deposits
233	Comboni Enterprises Deposits
234	Members Patrimonial Assets
235	Other A/cts
236	Severance Fund
23	Long Term Liabilities
241	Future Charges Funds
242	Provincial Plan Funds
243	Provincial Sick Fund
244	General Administration Funds (DG)
245	Inalienable Assets B. R. F.
24	Provincial - General Funds

Attachment N. 4: Chart of Accounts

BALANCE SHEET		
1	ASSETS	
111		<i>Cash in Hand in Foreign Currency</i>
112		<i>Cash in Hand in Foreign Currency</i>
113		<i>Conferees Cash in Hand (COM)</i>
114		<i>Conferees Cash in Hand in Foreign Cur. (COM)</i>
11		Cash Current Assets
121		<i>Main Currency Bank A/C</i>
122		<i>Foreign Currency Bank A/C</i>
12		Bank Current Assets
131		<i>Communities of the Province</i>
132		<i>Provinces</i>
133		<i>Procures</i>
134		<i>General Treasury Office</i>
135		<i>Comboni Enterprises</i>
136		<i>Provincial Treasury Office (COM)</i>
139		<i>Pending Accounts and Various Credits</i>
13		Short Term Credits
141		<i>Credits & Deposits</i>
142		<i>Inalienable Assets Building Renovation Fund</i>
14		Long Term Credits
151		<i>Bonds</i>
152		<i>Funds & Assets Management</i>
153		<i>Shareholdings</i>
154		<i>Other Financial Investments</i>
15		Investments
161		<i>Inalienable Assets Buildings</i>
162		<i>Assets A - Used Assets</i>
163		<i>Assets B - Not Used Assets</i>
164		<i>Vehicles</i>
165		<i>Other Fixed Assets</i>
16		Fixed Assets
171		<i>Cash in hand</i>
172		<i>Current A/c's</i>

which will not fail to sustain the labourers of the Gospel, blessing and multiplying what is shared and given to all.

3.3 The functioning of the TCF

The functioning of TCF is regulated by the General Norms exposed in this document and by the Provincial or Delegation Directories.

The Directory should indicate in the details the modalities of elaborating budgets, the times and the ways of their approval, and the adequate forms for the report and the evaluation.

4. All the economic activity: the subjects involved

*For as with the human body which is a unity
although it has many parts
- all the parts of the body, though many,
still making up one single body - so it is with Christ.
1Cor 12:12*

From the General Norms

- 2.1 *The TCF includes all the economic activity of a circumscription at its different levels: Office of the Provincial, Provincial Secretariats, communities, pastoral activities, projects and enterprises.*
- 2.2 *All the resources or goods that go through the hands of a confrere, are, in a certain way, related to the TCF of his own Circumscription, and thus, this relationship must be explicit, defined, approved and accounted for.*
- 2.3 *Each confrere channels into the TCF all the money and the material goods that he receives, whether they are offerings, compensations for performances, or revenues of any nature, except what is foreseen at n. 7.9.*
- 2.4 *When a confrere is involved in a task or work whose management and property are outside the Institute, his position must be regulated by a contract or an agreement that explains rights and duties of the parties, including possible compensations or commitments of a financial nature.*

This part of the document, intends to list the various realities that are in some way in relation with the TCF. Each one of them has its own peculiar characteristics that must be taken into consideration when the moment comes to define the yearly budget and to evaluate the outcome of a period.

Attachment N. 3: Analytical Index

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Attachment N. 2: Governance and Management

Each institution or activity (Magazine, School, Promotion Center, Association, etc) operates according to the statutes approved at the time of its foundation. The statutes serve to define the various levels of responsibility, the procedures for making decisions and their execution.

Normally, there are two fundamental levels that determine the operation of an institution: governance and management.

1. *Governance*: it is the organizational level in the enterprise that decides its political/strategic orientations and watches over the faithfulness of the enterprise and of its management to the mission defined by the statute.

This level is usually in the hands of the Board of Directors and its President.

2. *Management*: it is the organizational level in the enterprise that implements the political/strategic decisions of the Board of Directors. This level includes the operational and administrative management of the enterprise.

Director (director of operations): in general terms it is the person that oversees the implementation of the “core activities” (aiming at the production of the service) foreseen by the statute.

Administrator (resource manager): in general terms it is the person that manages the resources of the enterprise (persons, finances, buildings, equipment...)

In simple organizations the director and the administrator may coincide. In very complex organizations there may be a director general and several subordinate directors of sectors.

4.1 Comboni entities

The entities listed here come under the total responsibility of the Province, both in their governance and in their management. Therefore they must enter the TCF completely.

4.1.1 Office of the Provincial

The Provincial, once he has defined the plan of his activities, his journeys and the necessities of his own office, submits a corresponding budget.

At times, it might be necessary to allocate to him a discretionary sum for particular situations, without a detailed financial report about them. This is the only exception to the general principle of accountability.

4.1.2 Offices /Provincial Secretariats

Each secretary or person in charge of a sector, assisted by the respective secretariat, prepares a budget of the expenses and of expected incomes in the fulfilment of his planning.

4.1.3 Community

Each community prepares its yearly budget, reflecting the planning agreed upon. Even though they can count on the support of TCF, the members of the community must strive to find the resources in order to reach their chosen objectives.

At the same time, it must take into account the global picture of all the communities of the province. This could require the willingness to cut the expenses, to give up or delay some initiatives, so that all the communities will have the same possibilities and the same opportunities, and above all so that no one will be left without the essentials for living and operating.

The budget of a community must include all the ordinary and extraordinary expenses and the income (see 5.4).

Some circumscriptions have decided to assign a small percentage of the offerings (10-15%) directly to the community

of the confrere who receives the donation. The reason is twofold: to encourage the search for offerings and to endow the community with some additional resource to face unforeseen expenses. For others it will be seen as a choice in clear contradiction with the logic of the TCF. In any case, the provincial directory will tell whether to leave a percentage of the offerings to the community and how the local community may reach a decision on its use. Each operation will appear in the final financial report.

Finally, it is crucial to consider the situation which not rarely comes to us, that of the *mediator*. He is a confrere actively involved in the financing of an activity not connected to his province of origin. The reasons of his involvement can be of very different nature: previous responsibilities, personal knowledge of the donors, etc. Such initiative can not remain hidden: the confrere must inform, and obtain the approval of the community and of the Province to which he belongs, or the province in which the activity is carried out.

4.1.4 Scholasticates/IBC

The *General Directory for Finance* reminds everybody that the communities of the scholasticates and brothers centres: “are financially inserted in the province in which they are situated” and that, “through their activities, they have to provide enough income to cover 20% of their financial needs”. (ED 27.6-7).

Therefore, also the budget of these formative communities must be part of the TCF: the contribution that they receive from the GD appears as one of the incomes of the TCF in the measure described by the General Directory. In the same way, the TCF of the province must guarantee the 20% of their sponsorship.

Before being sent to the General Treasurer, the yearly budget of a scholasticate/brothers centre, must also receive the approval of the local provincial Council.

e) *Deposit funds*: They are allowance accounts intended to generate interest in order to finance an activity or a particular sector (e.g. formation, etc.). Normally these funds are fixed and the profits produced by them should go into the ordinary budget of the Province. The allowance accounts on these funds are considered extraordinary expenditure. This type of setting aside is justified only in the case of donations restricted to a specific purpose.

Typology of Provincial Funds: Summary			
Type of Fund	Duration	Financing	Type of expense
Future Charges	Permanent	Yearly contribution	Ordinary expenditure
Planning	Temporary	Occasional contribution	Extraordinary expenditure
Reserve	Permanent	Contribution from budget	Extraordinary expenditure
Intention	Provisional	Binding donation	Extraordinary expenditure
Deposit	Permanent	Binding donation	Extraordinary expenditure

Attachment N. 1: Funds and Deposits

Besides the norms found in the General Directory for the Economy about the creation and the objective of funds (###6; 6.1; 19.1; 20.1), we offer here some indications about the nature of different funds.

- a) *Funds for Future Charges*: they are permanent and are fed by a regular yearly contribution from the provincial budget. They have the aim of distributing evenly the capital expenses on various annual exercises (e.g. restructuring of real estate, purchase of vehicles, legal protection etc.). The Fund for the Liquidation of Employees is also this type of fund, which however is a deposit and no longer patrimony of the Institute. The allocations to these funds are considered ordinary expenditure.
- b) *Planning funds*: They are allocations distributed over several financial years according to the availability of the time in order to achieve a specific goal pointed out by the provincial planning. Once the objective is reached, the fund is extinguished. The allocations are considered extraordinary expenditure.
- c) *Reserve funds*: it is permanent reserve set aside to protect the province, which cannot be touched, except for extreme situations. The fund is built with one or more operations, within the limits defined by the Provincial Directory. It is the monetary equivalent of the Inalienable Assets: both its establishment and its consumption should follow an official authorization from the General Council.
- c) *Intentional funds*: they are provisional allowance accounts into which one or more donations, linked to a definite aim (e.g. poor, school fees, catechists etc.), merge. They do not derive from an allowance account of the budget, and last until the offer is exhausted. Since the Province cannot dispose of them in a manner different from the one indicated by the donor, these funds in the budget are listed as debts.

Lastly, the Directory establishes that “the buildings (of the formation house), even if built with the General Administration’s funds, belong to the province. Their upkeep and maintenance are the responsibility of the Province.” (ED 27.9)

4.1.5 Comboni enterprises

These are permanent entities that have a certain economic autonomy and that, by statute, refer their activity to the Comboni Province: MAC, magazine, school OCPU², etc. What is specified here applies also to structures built on the grounds of the diocese with a written agreement recognizing that the property belongs to the institute.

Their accounting, reporting and decisional processes are distinct from the community to which the confreres involved in them belong. They must have an executive committee, whose function is defined by their own statutes, and who ultimately reports to the Provincial Council about its actions.

At times, they have also to submit their accounts to the checking of the Civil Authority, according to existing laws. However, besides what is requested by the civil laws, they too are part of the TCF for the final approval of their (preventive and final) budget.

Based on their nature and long-term program, they could be allowed to have some particular and restricted funds set aside, clearly acknowledged and approved in the context of the TCF. They should appear in the patrimonial account of the activity itself.

At the same time, they might need particular funds (e.g. magazines) that are collected through some projects. The TCF can draw from the incomes of the projects promoted by these activities only if there has been a previous agreement with the donor, and in the form agreed upon.

² Opera Comboniana di Promozione Umana (*Comboni work of human promotion*)

The Comboni inter-provincial activities are the exception to what has been said above: they are entities directed by executive committees composed of confreres from different provinces. It is up to the provincial bursar of the Province in which the activity is located to examine its accounts and forward them to the General Treasurer.

4.1.6 Provincial Funds and Deposits

The *General Directory for Finance* foresees the possibility of establishing provincial funds with the “specific purpose of meeting future commitments that are included in their planning, avoiding the exclusive pursuit of capital increase” (ED 6)

It is specified moreover that “the Provincial Directory (at least that of Finance) shall list the Funds set up by the Provincial Council. It shall state whether they are Funds of which only the interest is used or also the capital, their ceiling and, the ways to finance them.” (ED 6.1)

“The establishment of a provincial fund is considered an extraordinary expense”. A fund, in order to be established, must have a strategic justification and managerial clarity. “Whenever one is to be established, the Provincial Bursar, after asking the opinion of the Provincial Secretariat, must ask the written approval from the Provincial Superior and must specify the purpose of the Fund, the foreseen expense and the rules for its management.” (ED 19.1) The opinion of the secretariat must be communicated through written minutes.

The origin, nature and functioning of a fund must be described in the Provincial Directory. There must also be an autonomous document containing the statute of the fund. This document is to be kept in the Treasury archives and will be a point of reference when there is a change of responsibilities, or in the case that a fund is established after the adoption of a Directory and before its revision.

Should the sum allotted for the establishment or the maintenance of a fund go beyond the foreseen limits for

8. Conclusion

For they have all put in money they could spare, but she in her poverty has put in everything she possessed, all she had to live on.

Mc. 12:44

The TCF intends to give the opportunity to live more deeply self-giving and communion, in order to return to the original spirit of the Gospel. This desire must however, come to terms with a very complicated reality and with a variety of situations that only a watchful study and a great sense of cooperation could cement together in a common life project.

The amount of indications offered in this document might discourage someone from trying to live fully and rigorously this instrument of communion that is the Total Common Fund. As a matter of fact, if it is true that the journey is full of obstacles, it is also true that nobody has already arrived, and that all are *disciples*: People learn and continue to learn from experience, trying and correcting themselves along all the way.

Great community discipline and commitment are requested, but the objective is very great: that material goods may be at the service of the mission in the most efficient and transparent way possible.

Abbreviations

RL	Rule of life
ED	General Directory of the Economy
VA	“Vademecum” of the Provincial Superior and his Council
CA	Chapter Acts

Chart 4

Tasks of the Provincial Secretariat of Finance

1. Implement the practice of bank resettlement and cash checks.

Indications to be specified in the Directory

1. Fix the limit for banking operations beyond which there is the obligation of the joint signature.
2. Define the modalities of the annual revision of the Provincial accounts (Audit)
3. Keep adherence to the Ethical Code.
4. Frequency of Reconciliation of the Bank Accounts.

extraordinary expenditure, it is necessary to request the authorization of the General Council (see ED 20.1).

Periodically, there can be some allocation of accounts or re-financing of funds, according to the criteria agreed upon at the moment of their establishment.

The funds should not be used to handle regular institutional activities (e.g. formation, MP, etc.) that, instead, are usually part of the yearly planning, with a respective budget and final balance.

It is useful also to clarify that the TCF is not one of the funds of the province, but, rather, the entire financial system of the Province inserted into a community perspective through a mechanism of budgets, final statements and checks.

4.2 Other entities

These other subjects do not come under the direct responsibility of the province. The property and the administration belong to others (e.g. Diocese), but the Comboni group is involved in various ways.

4.2.1 Parishes

The administration of a parish is ultimately the responsibility of the diocese and is ruled by it. Whenever the parish priest is a Comboni Missionary, he will share the information with the parish community through the parish council, and with the Comboni community by appropriate means.

The relationship with the TCF has two possible directions and both must appear in the budget and final report of the community:

- a) *Towards the Parish*: the province must define the manner and the measure with which- possibly - the Comboni community contributes financially to the parish budget.

b) *Towards the TCF*: the Parish must compensate, according to its possibilities, the work of the Parish priest and of other confreres involved in its care.

In due time, the amount of cash flow should vary: to diminish the flow towards the parish to bring it to self-reliance: to increase the one towards the TCF in order to reach a level that allows the full upkeep of the parish priest and of the other confreres involved.

4.2.2 Projects

A project is intended to be an activity done in the short or medium-run with an accurate objective. It has an autonomous administrative life and the person in charge of it must give account to the donor and to the entity which has the legal and moral responsibility of the project (e.g. community, province, diocese etc.). At the moment the project is approved, a deadline for its duration must be clearly established.

The funding can come from the Province or from external donors (Comboni Missionaries or others), subject to the approval of the project by the community and the PC.

In the case when the donor is an Institution (e.g. *Misereor*, NGO, public body, etc.), it is useful to have a clear understanding of the rules followed by the donor and - if the project is accepted - to abide by them. If it is intended to deduct a percentage of the budget of the project on behalf of the TCF, this must be specified in the budget with an adequate entry and justification (e.g. administrative costs).

The essential data of a project that must always be specified at the moment of its approval are:

- a) *Beginning and end* of the project
- b) *Objective*
- c) *Beneficiaries*
- d) *Cost*
- e) Definition of the legal, executive etc. *responsibility*

6. Control and other rules

*So be very careful about the sort of lives you lead,
like intelligent and not like senseless people.*
Eph.5:15

From the General Norms

2.5 The TCF is built on a system of budgets, reports and verifications, ruled by the Provincial Directory.

The control system on the good functioning of the administration is based first and foremost on periodical reports. However it is necessary also to foresee a regular verification of the cash and the bank reconciliation, that is, the comparison between bank statements and the patrimonial account.

Whenever the community has a bank account, the obligation of the bank reconciliation remains valid for the community bursar.

To avoid possible forms of abuse, the *General Directory for Finance* prescribes the obligation of a joint signature for bank operations beyond a limit that should be established by the provincial Directory (see ED 23).

The General Chapter establishes the limit for extraordinary expenses. Beyond this limit it is necessary to ask the General Council for authorization.

The provincial directory must also fix the limit to the working capital. The Province is not allowed to accumulate money beyond the fixed limit.

Indications to be specified in the Directory

1. Indicate the times for the verifications during the year.
2. Describe modalities, times and places for the final verification.

- f) *Funding*: local contribution, provincial contribution, donation from an Institution or of another nature.
- g) *Managerial and administrative expenditures*
- h) *Mechanisms of evaluation*: efficacy, sustainability

4.2.3 Activities and Associations with partial involvement

These activities and associations are permanent realities that have reached a certain economic and statutory independence, even if there is a Comboni missionary at their origin, or a Comboni province that still takes part in a more or less elevated degree of responsibility.

They have a recognized juridical position, an autonomous statute and for each of them there is an administrative council that is the last responsible of the decisions and of the choice of the director/manager. As regards to the confrere who collaborates in this activity, the time length, the modalities and the motivations of such a commitment should be defined by the Provincial Council in dialogue with the Comboni community.

If then the confrere becomes the promoter of the activation of the channels that bring an economic contribution to the enterprise, the information about the importance and the outcome of the commitment should be shared with the community in a spirit of transparency.

It is necessary, however to avoid that these activities be transformed into independent channels through which to move amounts of money without bringing them into the TCF.

In the case of an Association that resides on a property belonging to the Province, it is indispensable to have a written contract of gratuitous loan.

4.2.4 Completely autonomous Activities and Associations

Sometimes a confrere may be assigned with a specific role(,) to an autonomous activity or Association, belonging to a third party, generally a Diocese or an Episcopal Conference.

In this case, the confrere is not obliged to give the report of the activity to the community; in fact he might have to respect precise bonds of confidentiality. He must, however, give the necessary information and make the confreres aware and involved in his work.

The commitment of the confrere should be regulated and defined by a contract in which rights and duties are detailed, including possible compensations (e.g. salaries, fees, refunds) or commitments of a financial nature. These last ones are connected to the TCF and must be specified in the budget and in the final report of the community to which the confrere belongs.

4.2.5 Agreements or Contracts

The relationship with any non-Comboni entity and the involvement of a confrere in any of them must be defined by a written contract between the Institute and the governing body of the entity (See *“Vademecum” of the Provincial Superior and his Council* nn.200-202 and Appendix n.7; RoL 171),

The contract or the convention must give precise indications in favour of the confrere as regards to:

- the various expenditures of the pastoral activities for means of transport;
- the upkeep;
- insurance and medical care;
- the expenses of confreres for their apostolic preparation for the future: language courses, introduction to the local culture and pastoral work;
- travel expenses for holidays, and their frequency;

5. Verification

Test everything and hold on to what is good.
1Thes. 5:21

From the General Norms

2.5 The TCF is built on a system of budgets, reports and verifications, ruled by the Provincial Directory.

The verification must be done at two levels:

- a) at the financial level to verify that the expenses and the income are within the budget of that particular period;
- b) at the level of planning, to evaluate whether the intended objectives were achieved.

Appropriate questionnaires must be prepared by the Secretariat of Finance, while the Provincial Directory must indicate how many times in the course of the year a verification of the economic running of the communities and of the Provinces should take place.

Chart 3

Tasks of the Provincial Secretariat of Finance

- 1. Prepare the questionnaires for the mid-year and annual reports
- 2. Include in the budgets and in the final reports a narrative part regarding prearranged objectives and their verification.

with great care and cannot be left vague. The prevision of income must be as rigorous as that of expenses.

Chart 2
Tasks of the Provincial Secretariat of Finance
<ol style="list-style-type: none"> 1. Prepare appropriate questionnaires for the elaboration of budgets 2. Offer the necessary indications on the budget details 3. Elaborate the overall budget of the Province 4. To adapt the Provincial economic plan to the general economic plan.
Indications to be specified in the Directory (see ED 29.2)
<ol style="list-style-type: none"> 1. Offer indications on the elaboration of budgets/reports and the criteria for evaluation. 2. Define the times and the frequency of the presentation of a budget/report 3. Establish the distribution of expenses between the province and the communities 4. Indicate the limits of ordinary expenses for the community 5. Define the procedure for the discussion and approval of the budget 6. Define the corrective mechanisms of the budgets during the year 7. Establish the modalities to operate in case of emergencies for the communities and the province 8. Indicate the limit of the net capital of the Province

- the responsibilities and duties of control of each of two parties;
- for the Parishes, the right of the Provincial Superior and of the community to which the confrere belongs to know the balance sheets.

Chart 1
Tasks of Provincial Secretariat of Finance
<ol style="list-style-type: none"> 1. Prepare a full list of the subjects “involved”, inserting each one in an adequate profile and describing the relationship with the Province. 2. Verify the contracts 3. Elaborate an identity Card of the Projects
Guidelines to be specified in the Directory
<ol style="list-style-type: none"> 1. Draw up an inventory of the Comboni Activities and a description of their management (see ED 21) 2. Establish the norms for the approval and sponsorships of the projects 3. Define the conditions for possible corrections of the budget 4. Enlist the funds, their aim, limitations and modalities of management.

5. Budgets and Balances

*May they all be one so that
the world may believe it was you who sent me*
Jn. 17:21

From the General Norms

- 2.5 The TCF is built on a system of budgets, reports and verifications, ruled by the Provincial Directory.
- 2.6 Each budget and report must be made known **to**, discussed and approved by all the parties involved.
- 2.7 The final approval of all the budgets and reports is up to the Provincial Council after having examined the written opinion of the Secretariat for the Economy.
- 2.8 It is the responsibility of each confrere to commit himself to search the necessary goods for the accomplishment of the planning agreed-upon.
- 2.9 The search of the resources needed for the realization of a project or the upkeep of an activity, must take place after the approval of the budget and according to the indications that have been agreed upon.

The budget could be defined as the translation of a plan and of an activity into the “accounting” language and the concreteness of the economic reality. It is obviously a demanding discipline but also a fruitful one. Even if it seems to slow processes down, as a matter of fact, it constitutes an incentive to think about them and prepare them rigorously.

5.7 Distribution of expenses

The Directory must also offer clear indications for some particular expenses:

- a) *contributions* for the General Administration, the Sick Fund, the Scholasticate/IBC fund and the ongoing formation fund.
- b) The insurance of real estate and vehicles, holidays of the missionaries, ongoing formation, assemblies, meetings, medical expenses.

These expenses must be part of the Provincial or the community budget. If they are included in the provincial budget, it is important that the communities be made aware of the existence of these expenses.

5.8 Some observations

We should not underestimate the importance of displaying in a budget - as in the final balance - the complete picture of income and expenditure. It is of the utmost importance to be informed of the proceedings of an activity in its totality; even in the case that some expenses are covered by voluntary contributions or in-kind donations, a way should be found to show them in the final statement. The evaluation will be more accurate and the continuity made easier. At the moment of a possible handing over, there will be less dubious points and anxieties for the one who takes up the task.

It is important to know how to distinguish between effective expenses/incomes and cash movements: there could be expenses/incomes that will not go through the cash, but weigh on the balance of an activity. It is necessary to have adequate accounting instruments in order to bring to the surface the figure of expenses/incomes in its completeness. Otherwise, it will be difficult to have an adequate and transparent running, that is to say, a running accessible and understandable to the others.

In the preparation of the budget for an activity, its financing – namely the income – is another aspect that must be studied

expenses of the community are equalled to projects. As a matter of fact, the likening is motivated, because the request for the authorization of an extraordinary expense must be accompanied by a detailed budget and its funding can happen only through specific requests addressed to donors. When the beneficiary of the fund is a community, it would be better to use the term “subsidy”.

5.5 Emergency

By *Emergency* we mean an unforeseen, not recurring expense and, as such, not programmable: for instance, natural disasters, accidents, etc. The Provincial Directory must indicate in which way it is possible to face such emergencies rapidly, both at community and provincial level.

5.6 Financial resources

The incomes for the TCF can have a different origin:

- a) *Free offerings*: amounts of money donated to confreres without a specific intention, regardless of the modality through which they reach their destination (i.e. through the Procure, bank accounts, by hand etc.). The confrere concerned must always be informed and – at the accounting level - the origin of the offerings must be re-traceable and ascribable to a confrere or a community.
- b) *Mass intentions*: these can be dealt with at provincial or community level; however, they must appear in the budgets and in the final statements.
- c) *Salaries*: rewards for performances as teachers or other services rendered.
- d) *Refunds*: for the running of the projects or administrative expenses.
- e) *Fixed incomes*: rents, patrimonial revenues of the confreres.
- f) *Bank interest*
- g) *Other*

5.1 The aim of the Budget

In the budget, an idea is communicated and goes from the indefinite to an external, measurable, figured out form and - what matters most - is made known to others.

A budget is not the sum of particular desires, but the search for a common working project, according to the real needs and the spirit of initiative of the confreres.

The elaboration of the budget is requested for all the subjects involved in any activity of a circumscription at its different levels: Provincial Office, Provincial Secretariats, Communities, Scholasticates, Pastoral Activities, Projects and Enterprises. (see 4.1)

Through the process of outlying the budget, all the members of the community share in the common responsibility for the work while respecting each one's capability. The activity, whatever it is, will not be linked any more to an individual and will benefit from a greater stability and continuity.

Finally, a trail of the fixed objective, or of the means chosen to obtain it, will remain both to preserve the memory(,)and in view of a final evaluation.

5.2 Budget and planning

A budget must give a synthetic picture of the economic relevance of a planning, but it must be sufficiently detailed in order to escape the risk to present figures that are too approximate.

The budget must indicate the objectives for the period to which it is referred and specify what the times and the criteria for the evaluation will be: the part regarding figures, might need some explanatory notes.

The bigger headings of expenditures must be justified: for example 1 under the heading salaries it must be specified how many are the employees, the monthly wages of each one, the provision for the end of a working relationship, possible extra

burdens, etc.

The budget cannot be an automatic repetition of the one of the previous year, but it must reflect the present situation and planning.

5.3 The approval of a Budget

Each confrere involved in budgeting must have the possibility to know it and to express his own opinion. The budgets of communities or parish projects are approved first of all at community level.

Regarding the activities under provincial responsibility, the budget is elaborated by the team of confreres who work on it, offering, nevertheless, to the local community the adequate information (see 4.1.3).

Each confrere put in charge of a sector of the Province (formation, evangelization, MP, OGF, etc.) through the help of his own secretariat, outlines the budget of his concern. The Provincial will do the same for his office and his activities.

Finally, the Secretariat for finance collects the different budgets in a global budget, over which he will express by writing an opinion and will submit it to the Provincial Council for a final approval.

It is useful for each community to be aware of the budgets of the other communities to have an overall view and understand the motivations of the various choices.

The Provincial Directory must indicate the times and the ways in which all these stages must develop.

For a clarification on the role of the Local Bursar (ED 28), of the Secretariat for the Economy (ED 29) and the provincial bursar (ED 30) see the General Directory for Economy.

5.4 Ordinary and extraordinary Administration

It is important to have a clear distinction between ordinary and extraordinary expense and income. For this it is possible to

refer to the General Directory for Finance:

- a) *Ordinary*: “All that concerns the normal life of the Community or sector is considered **ordinary administration**” (ED 16 – see RL 169,6)
- b) *Extraordinary*: “By **extraordinary administration** we mean the construction and renovation of immovable assets, the purchase and selling of houses and land, investment of money for more than one year, extraordinary repairs, purchase of an extra vehicle, foreign exchange operations and financial relations abroad.” (ED 17 – see RL 169). Expenses and extraordinary incomes are generally foreseen and prearranged and, as such, have to appear in the budget. The Provincial Directory must fix the ceiling over which an expenditure is considered extraordinary.

For the realization of extraordinary expenses it is a good idea to keep the different stages well separated:

- 1.- *Decision*: the final approval is up to the Provincial Council, after having examined the budget, confirmed the motivations of the request and listened to the opinion written out by the competent secretariat.

- 2.- *Funding*: this may come :

- *Internally*: from the province, that is to say the TCF;
- *Externally*: through the contribution of other Provinces or other sponsoring institutions. Since sponsorship comes from external agents, requested in the name of the TCF, it does not seem logical to subtract a percentage for the TCF, because all the contribution is to be considered directed to the TCF for a specific purpose.

3. *Execution*: normally it takes place after the economical resources are collected. Whenever the PC considers the execution of an extraordinary expenditure, already approved but not yet funded, to be urgent, it can decide its launching and anticipate the necessary money, assuming however the risk of a possible failure of external sponsorship.

Sometimes, in the common language, the extraordinary