

CONGREGATION OF THE MOST HOLY REDEEMER

MANUAL FOR ADMINISTRATION AND FINANCIAL MANAGEMENT

POLICIES AND PROCEDURES



Curia Generalis C.Ss.R

ROME - 2020

*CONGREGATION OF THE MOST HOLY REDEEMER-
Manual for Administration and Financial Management*



CONGREGATIO SS. REDEMPTORIS

Superior Generalis

Prot. No. **0000 267/2019**

WITNESSES OF THE REDEEMER:

In Solidarity for Mission to a Wounded World

An essential dimension of our witness to the Redeemer is our missionary solidarity, and the four principles adopted by the 25th General Chapter (Decision 2). Good stewardship of the material and financial resources entrusted to our care for the service of the mission is an integral part of our authentic and prophetic proclamation of the Good News today. Today, more than ever, we are conscious of the importance of professional Congregational standards in this stewardship.

In 2011, the General Government requested that the Finance Secretariat begin work on a Manual for Administrative Management to serve the Congregation and each (V) Province and Region. The Commission for Economic Solidarity endorsed this request and proposed that the 25th General Chapter mandate its completion.

In March of 2014, the Congregation for the Institutes of Consecrated Life and Societies of Apostolic Life conducted a workshop entitled “The Management of the Ecclesiastical Goods of the Institutes of Consecrated Life and Societies of Apostolic Life, at the Service of the Humanum and of Mission in the Church.” The workshop addressed several issues facing all

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institutes of consecrated life including the dwindling of financial resources, their proper use in line with the Gospel, as well as transparency and accountability in terms of the management of those resources. As a result of this workshop, the Holy See issued “*Guidelines for the Administration of the Assets in Institutes of Consecrated Life and Societies of Apostolic Life.*” These guidelines are to be followed by all Religious Congregations.

In response to these concerns raised by the Congregation for the Institutes of Consecrated Life and Societies of Apostolic Life, and the Decision 47 of the 25th General Chapter of the Congregation the Finance Secretariat completed its work on the Manual which was presented during the Mid/Sexennial Meetings in 2019, and approved for implementation by the General Government. This manual is intended to be a resource for the financial managers in each of the units and assist in the standardization of accounting practices throughout the Congregation while at the same time ensuring an environment of accountability and transparency.

The Manual presents general administrative and financial objectives applicable to all units. In addition, it outlines policies and procedures formulated from the Constitution and Statues of the Congregation, Canon Law, standard accounting practices, and the shared experiences of the confreres serving in financial administration. The Manual is addressed specifically to unit level and community treasurers, major and local superiors, secretariats, and to all others working in financial administration, whether Redemptorists or laity. However, all members of the Congregation, including those in initial formation, are encouraged to acquire a working knowledge of the Manual.

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It is understood that the Congregation operates around the world in a variety of cultural and juridical environments and in acknowledgement of this, the Manual has been specifically designed to be broad enough to cover a significant number of situations while still offering guidance in these varying situations.

The overall goal of the implementation of the Manual is to promote a change in mentality regarding the management and use of money and other temporal goods of the Congregation. Three values are stated here: transparency, accountability, and solidarity. Going forward, these have to be a hallmark of our Congregation's relationship to finances. (Section A Number 2 *Philosophy and Basis*)

Sections B and C, *General Accounting and Financial Objectives and Organization*, provide the basic minimum structure for the financial operations within our communities and ministries. The audit mandated by the General Chapter (Decision 48) will include a measure for the implementation of these structures.

Some of the forms previously found in the *Directory of Superiors* are now offered in the Manual, including the form for the annual financial report, Solidarity Fund application/Accountability form etc.

The Finance Secretariat recognizes that some of our confreres already have a good understanding of finances and might initially feel that the Manual is not necessary. However, it contains significant resources particular to religious life and specifically the Redemptorists and will likely be a valuable resource even for experienced confreres. Others who have little or no experience in finances will find the Manual invaluable on several levels.

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Regardless of the situation, it is to be noted that this Manual, its implementation, and compliance, has been mandated by the 25th Chapter. All units are expected to adopt the policies and procedures as outlined. If clarity is needed, the Finance Office in Rome is ready to assist the individual units.

As each (V) Province, Region, and local community implements this Manual, there may be some areas which require not only clarification, but possible revision. As well, new areas of concern may arise for which policies and practices need to be updated. The Finance Office in Rome and the General Government welcome your contributions, observations and questions.

May our transparency and accountability deepen our Missionary Solidarity and strengthen our Mission as we preach the Gospel ever anew today.

In Christ our Redeemer and our Brother,

Michael Brehl, C.S.R.

Michael Brehl, C.Ss.R.,
Superior General

Rome, May 13, 2020





CONGREGATIO SS. REDEMPTORIS

Prot. N° 0000 267/2019

DECREE

DECREE OF APPROVAL AND PROMULGATION

OF THE

***MANUAL FOR ADMINISTRATION AND FINANCIAL
MANAGEMENT***

EDITION 1 2019

Whereas the 25th General Chapter commissioned the General Government to prepare a *Manual for Administration and Financial Management* (Dec. 47);

and whereas the text of this Manual, prepared by the General Secretariat for Finance, and presented at the mid-sexennial meetings of 2019, and was subsequently approved by the General Government as a Working Document;

and with the authority given it by Constitution 119, 1° and 3°,

the General Government decrees:

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1. that it approves the present text of the *Manual for Administration and Financial Management* as a Working Document and grants it the force of law according to the norm of General Statute 03;
2. that this Manual will have the force of law in all Units of the Congregation from January 1, 2020 and will remain in force until the 26th General Chapter, which is competent to study it and grant it definitive approval;
3. that Units are asked to address all comments and questions to the Office of the General Treasurer.

The official text of this Decree is the English

Given in Rome on December 14, 2019

Michael Brehl, C.S.R.

Michael Brehl, C.Ss.R.
Superior General

Brendan J. Kelly, C.S.R.

Brendan Kelly, C.Ss.R.
Secretary General

[Seal of the Congregation]

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A. INTRODUCTION

1. Purpose and Scope

In November 2016, the 25th General Chapter of the Congregation of the Most Holy Redeemer mandated the completion of a Manual for Administrative and Financial Management. The purpose of the Manual is to not only act as a resource but to standardize accounting practices throughout the Congregation while ensuring an environment of accountability and transparency. The adoption and application of the Manual in each unit is an integral part of the internal audit process which was also mandated by the 25th General Chapter.

The Manual uses a policy and procedure-based approach. It is understood that sound accounting and financial management will assist both provincial and community level leadership to maximize resources to better carry out the mission of the Congregation. It is to be noted that the Manual does not pretend to be a compendium of all the law and regulations relating to goods belonging to the Congregation, but only those matters relating specifically to finance. While comprehensive in many respects, it does not cover every challenge or issue that may emerge. Thus, the Manual is seen as an evolving document whereby it will be strengthened and amended based on future challenges and learning experiences.

It is important to remember that the Congregation exercises its mission around the world in the midst of a great diversity of cultural, social, economic, and legal situations. Management and accounting practices vary widely. The knowledge and experience of Redemptorists and their lay co-workers in these fields vary greatly. In response to this reality, the Manual for Administration and Financial Management offers

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general administrative objectives, policies, and procedures which are broad enough to encompass most situations while still offering significant guidance in any environment. These objectives, policies, and procedures are formulated from the Constitution and Statues of the Congregation, Canon Law, standard accounting practices, and the shared experiences of the confreres serving in financial administration. In recognition of the various levels of education and experience of those delegated to financial responsibilities, the Manual seeks to be of assistance by presenting not only specific procedures but also background and supportive explanations.

The Manual is primarily directed to provincial and community treasurers, major and local superiors, secretariats, and to all others working in financial administration, whether Redemptorists or laity. In addition, it is hoped that all members of the Congregation will gain at least a passing knowledge of the Manual. As noted above, the Manual recognizes the reality of different levels of financial knowledge and experience among Redemptorists engaged in financial administration. Some confreres enter the positions with professional education and experience while others may begin with little or no understanding of even the basics of accounting or finance. The former group will likely skip over parts of the Manual and refer mostly to the “Other” sections to answer questions unique to the Redemptorists or religious life in general. Someone new in the field will likely be best served by starting at the beginning while paying particular attention to the “Procedures” section. Regardless of the area of focus, the Manual has been designed to assist all those engaged in finances in the Congregation regardless of background.

2. Philosophy and Basis

Canon 1254§2: The fourfold purpose of temporal goods is listed in for divine worship, for the support of clergy and other ministers, for the apostolate and for works of charity, especially toward the poor and needy.

Constitution 144.a. The members of the Congregation must use temporal goods¹ for the purposes to which it is allowed to direct them, namely, to support themselves in a becoming way, to carry out works of the sacred apostolate or of charity, especially in favour of the poor, and to meet the expenditures connected with divine worship.

Statute 0189. All temporal goods belonging in any way to the Congregation, according to the nature of the case, shall be properly administered in accordance with the norms of both civil and ecclesiastical laws, with the assistance of qualified lay people in so far as this can be done.

As Christians, we understand that everything held by the Congregation is from God and for God. All gifts received from God are for his glory and purposes. We cannot live for Christ or act on his behalf if we do not exercise proper stewardship over these gifts. Further, we recognize that the single most valuable

¹ Temporal goods as distinguished from spiritual goods are those material assets including money acquired by or donated to the Church for the purpose of carrying out her mission.

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asset of the Congregation is the trust placed in it by the people we serve and those who provide our support. We believe that accountability should be a top priority in the life of the Congregation to preserve the trust we possess by virtue of our mission. Leadership, whether on the general, provincial, or community level, should seek to not only maximise our resources for the mission but do so in a spirit of transparency.

The four principles of missionary solidarity adopted by the 25th General Chapter speak specifically to this philosophy, particularly principles 1 and 3:

1. The resources of the Congregation are at the Service of the Mission
2. We live Simply and Generously in Solidarity with the Poor
3. Managing our Resources with Integrity is part of our Witness to Missionary Solidarity
4. Leadership and Governance Strengthen and Deepen Missionary Solidarity at all levels

It is further noted that proper accountability and responsible use of our resources does not end with our donors or our mission to those we serve. The Plan for Community Life calls upon each of us to consider the needs of each other and the way our personal use of the resources of the Congregation impacts others within our own community. Good stewardship extends throughout all levels of the Congregation.

Finally, the Manual is guided by both the Constitutions and Statutes of the Congregation and the Canon Law of the Church:

B. GENERAL ACCOUNTING AND FINANCIAL OBJECTIVES

To comply with our philosophy of fiscal responsibility, every province, vice province, region, and community will meet the following accounting and financial objectives. Each province and community is minimally expected to:

Conform with standard accounting principles applicable to the region in which the entity operates. Accounting practices should be fully disclosed and easily intelligible even though they have been made in a variety of geographical and cultural locales. All accounting and decision-making processes are to be in conformity with the Constitutions and Statutes of the Congregation and Canon Law.

Maintain a uniformity of accounting methods and rules within the province, and where possible, among provinces at a broader regional level. This uniform system needs to be simple, accurate, realistic and truthful in recording the economic data of all financial operations and it is essential that all transactions be supported by underlying documentation.

Develop a chart of accounts adequate to meet the information needs of leadership and the wider membership of the provinces, vice-provinces, regions, missions, communities, and projects as well as any other legitimate users including the General Government.

Compile a comprehensive listing of patrimony/assets and other goods and real property held by the province, vice-province, region, mission, community or project to be updated on a regular basis. The listing will include special inventories of precious objects (by reason of historic or artistic value) that belong to the houses, churches and apostolic works. Listing of

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real properties will include a record of the canonical owner, the owner in the civil realm, the source of the property, cost, estimated useful life, depreciable basis and any other information that will assist future alienations or financial demands.

Maintain records of securities and other financial instruments organised in such a manner that they provide the necessary information for efficient oversight and good financial management.

Compile Financial Statements on an annual basis consisting of minimally a Statement of Net Worth (Balance Sheet) and a Statement of Receipts and Disbursements (Income Statement) including any necessary notes. To assist with decision making, interim statements will generally be prepared on a more frequent basis. All presented financial information must be totally transparent so that the financial statements present a complete accounting of the financial-economic situation of the province, vice-province, region, mission, community or project.

Develop and maintain policies which require the highest standards of conduct and ethical behaviour and promote a working environment that values respect, fairness and integrity. This is to be applied to all confreres and all lay employees. In addition, an anti-fraud policy must be developed and put into practice which includes specific steps to be taken should any confrere or employee suspect any fraudulent or dishonest use or misuse of resources and/ or property by any staff member, confrere, or person in leadership. Conflict of interest will also fall into the purview of this policy, that is, wherever an activity or interest may cause bias by a confrere in terms of awarding service contracts, employment of staff and/ or the management of donor funds.

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Work in a professional manner including a high level of confidentiality. While transparency is key, it is understood that some information is proprietary and should be shared with only certain parties. All confreres, particularly those in leadership, are expected to keep high standards of confidentiality.

Establish a finance secretariat to assist the leadership and finance office. Among other duties, the secretariat will act as an advisory to clarify the mission regarding the financial objectives, advise on long-term financial planning, monitor operations, assist in oversight, and oversee the administration and monitoring of grants. The finance secretariat is expected to assist in much of the “groundwork” such as the initial review of financial statements, compilation and monitoring of the budget, and in reviewing the financial management systems and internal controls.

Make use of outside sources of assistance such as professional accountants, attorneys, consultants, and other aids. In addition, the treasurer’s office is expected to act as a resource to the houses, ministries, and other entities in the province.

Develop a manual outlining policy regarding lay employees. The manual will cover all issues surrounding employment: hiring and firing, evaluations, benefits, steps for grievances, compensation, benefits, and any other employment related issues.

C. ORGANIZATION

1. Superior

Directory of Superiors: 902.2. Superiors: The Superior General, (Vice-)provincial Superiors, regional superiors and the superiors of communities, each with the involvement of their respective councils, are responsible according to the norm of law for the administration of the temporal goods of the Congregation which are under their jurisdiction.

It is the responsibility of the provincial, assisted by his consultants, to supervise the administration of all goods, including monetary resources, which belong to the province. Though the provincial treasurer handles the day to day operations, it is ultimately the duty of the provincial to ensure that proper accounting procedures are followed and that all required financial reports are filed on a timely basis with the appropriate parties. The provincial is not expected to become an expert in finance. However, he is to be able to read the financial reports with a reasonable understanding as well as monitor the activities of the province finance office including the implementation of internal controls.

In addition, the provincial and his consultants should monitor, on a regular basis, the actual performance of the province against the budgeted performance. Monitoring the budget is a primary way to not only determine the efficiency of the finance office but also to ensure that the income and assets of the province are used exclusively to further provincial goals. This also presents an opportunity to explore long term planning regarding ways to increase income or decrease costs.

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Ultimately, it is the responsibility of the provincial to “set the tone” for the finance office in terms of transparency, accountability, and sense of professionalism.

2. Treasurer

Statute: 0112. There shall be properly trained treasurers at every level in the Congregation, distinct from the respective major superiors, and in so far as it is possible, from local superiors. These administer the goods of the Congregation entrusted to them in accordance with the instructions given by legitimate authority.

Directory of Superiors: 902.3. Treasurers: Each unit of the Congregation which is governed by a major superior (General Government, provinces, vice-provinces) must have a finance officer (i.e. treasurer) distinct from the major superior who is to manage the administration of the temporal goods under the direction of the respective superior. Note that he is to administer these goods "under the direction of the respective superior."

Thus, while the superior directs, supervises and can perform administrative acts, it is the treasurer who performs the ordinary administration of the goods. CIC Canon 636, §1 also requires that “to the extent possible”, this also be the norm in the local communities. Our own law echoes the requirement that the treasurer be distinct from the superior, adding

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that the treasurer is to be properly trained. It also notes that he may not dispose of goods on his own authority.

CIC Canons 1281 - 1284 outline the responsibilities of the financial administrator, and the limits of his authority. He is to have a finance council, or at least two advisors; in our law this function is usually fulfilled by a secretariat for finance.

The treasurer will oversee the normal day to day financial administration of the province/community. This will often include, but not limited to, such basic tasks as paying bills, making bank deposits, reconciling bank statements, managing cash flow, and being knowledgeable of the financial status of the province/community at any given time. The treasurer will be responsible for implementing the procedures as presented in Section F of the Manual for Administrative and Financial Affairs. The treasurer will also be responsible for oversight of investments held by the province/community.

The treasurer, with the assistance of the Finance Secretariat, will oversee the development of the province's financial protocols and procedures at the direction of the superior and his consultants. When called upon to do so, the treasurer will assist the superior and his consultants in the development of financial policies. He is then tasked to carry out those policies.

The treasurer will be responsible for preparing, or facilitating the preparation of, regular financial statements and an annual budget as well as regularly monitoring and comparing the actual revenues and expenditures incurred against such budget. The budget will ultimately be reviewed and approved by

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the EPC; however, it is the treasurer's duty to guide it through the process.

The treasurer will have a thorough knowledge and understanding of the reporting system used by the province/community. It is further the treasurer's job to keep the OPC apprised of key financial events, trends, and concerns, that would affect the province. The treasurer will also "translate" financial concepts and information for EPC members who do not have financial backgrounds or substantial financial experience.

3. Secretariats

Statute 0114. Secretariats, either of a permanent or temporary nature, shall be set up for the examination and solution of special problems, if they seem to be necessary or useful. They shall include experts, even from outside the Congregation, who will make a survey and analysis of the matters to be dealt with, propose solutions, draw up and initiate plans under the guidance of superiors, and review and appraise works already in progress. Among others, as a rule, secretariats are to be set up for...finance.

Directory of Superiors 902.3. Treasurer: He is to have a finance council, or at least two advisors; in our law this function is usually fulfilled by a secretariat for finance.

The exact purpose and competency of the Finance Secretariat is determined by local provincial statutes. It acts in an advisory capacity to the superior and his consultants. Depending

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upon the provincial statutes, the treasurer may or may not be a member of the secretariat. If the treasurer is not a member, the secretariat may fulfil the role of advisor to the treasurer as determined by provincial statute.

The duties of the Financial Secretariat may include the review of financial statements, review of provincial and community budgets, monitoring of compliance to General Government and provincial financial policies, proposing new financial policies as requested, making recommendations to the provincial and his consultants, reviewing reports from the Fixed Asset and Invested Asset Committees, and whatever other activities are mandated by local provincial statute.

The Finance Secretariat draws its members from around the province and should meet minimally twice a year.

4. Committees

The Fixed Asset Committee is established to assist the Finance Secretariat. It is part of, and reports to, the secretariat. As directed, it will generally make proposals regarding protocols and procedures relating to the construction, care, maintenance, and preservation of the physical structures held by the province. This is to include raw land.

The Fixed Asset Committee typically assists in the oversight of construction projects in the province. This might include involvement in oversight regarding the use of contractors, procurement of materials, and budget variances. The committee will review whether provincial policies are being followed regarding construction and bidding procedures. In some situations, a member of the committee may be assigned to an individual construction project to assist in oversight.

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The Fixed Asset Committee draws its members from around the province and should meet minimally once a year. Additional meetings might be prudent during times of significant construction.

The Invested Asset Committee is established to assist the Finance Secretariat. It is part of, and reports to, the secretariat. As directed, it will generally make proposals regarding protocol and procedures relating to monies invested by the province. It will monitor the investments of the province particularly in the areas of security, rate of return, and proper accounting.

The Invested Asset Committee draws its members from around the province and should meet minimally once a year.

D. FINANCIAL POLICIES

1. Receipts

Statute 0204. Where administration must be submitted to the control of the civil law, authentic records of every item of receipts and expenditure will be made out according to the norm of that same law, and they will be filed for the prescribed period. The same system, moreover, is recommended even though the civil law does not demand it.

A province/community receives funds from a variety of sources including, but not limited to, donations, apostolic works, missions, fund raising, collections, Mass stipends, publications, income producing property, and other activities. These receipts can be in the form of currency, checks, money orders, negotiable instruments, credit card transactions, wires, electronic fund transfers, and other acceptable instruments.

The management of received funds, whether on the general, provincial, or community level, must be undertaken in a careful and prudent manner in order to best use these resources for the mission. The Congregation is committed to the safeguarding and proper use of all monetary assets. This commitment is to include the maintenance of complete and accurate records of all receipts and the use of proper banking practices. Internal controls need to be in place along with periodic review and assessment of receipt practices.

Further discussion regarding receipts is found in Section F (Procedures)

2. Disbursements

Statute 0204. Where administration must be submitted to the control of the civil law, authentic records of every item of receipts and expenditure will be made out according to the norm of that same law, and they will be filed for the prescribed period. The same system, moreover, is recommended even though the civil law does not demand it. At least records of expenditures will be kept for whatever length of time seems expedient.

Directory of Superiors 904. Expenditures: 904.1 Types: Expenditures are: A.) ordinary, when they fall under ordinary administration; these consist in the expenses that are foreseen to regularly occur in the life of a community or of the members which do not require the permission of a higher authority: e.g. monthly for food, maintenance of buildings, etc. B.) extraordinary, when they fall under extraordinary administration; these consist of unusual expenditures which require the permission of a higher authority (e.g. renovating a part of a building) or involve a considerable amount of money.

904.2 Determination: The General Council acting collegially determines the limits within which the Superior General can make expenditures. The (vice-)provincial chapter is to determine the limits within which different superiors, with or without their various councils, can incur expenses. Note, however: A) The limits

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set for maximum expenses by the various superiors with their councils must be approved by the Superior General with the consent of his council. B) The chapter can decree that these limits are to be set by the (vice-)province's extraordinary council (with the requisite approval of the General Government). C) If the incurring of expenses "worsens the patrimonial situation" of the house or (vice-)province, the provisions for alienation are followed. D) Ordinary expenses should be carefully distinguished from extraordinary expenses when limits are set, so as not to hamper the smooth operation of the institution.

A province/community disburses funds for a variety of reasons including, but not limited to, ordinary operating expenditures, donations, support to other Redemptorist entities, ministry support, grants, construction projects, and other legitimate activities. These disbursements can be in the form of currency, checks, money orders, negotiable instruments, credit card transactions, wires, electronic fund transfers, and other acceptable instruments.

The management of disbursed funds, whether on the general, provincial, or community level, must be undertaken in a careful and prudent manner in order to best use the resources of the Congregation for the mission. This is to include the maintenance of complete and accurate records of all disbursements and the use of proper banking practices. Standard accounting practices around cash flow and budgetary limitations must be observed. Internal controls need to be in place along with periodic review and assessment of disbursement practices.

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It is particularly important that disbursed funds be subject to strict controls as the potential for waste and even fraud is high. Extra care must be taken in the selection and delivery of goods and services. In the case of contractual services around construction and other large expenditure items, a competitive bidding and approval process must be the norm along with precise follow up procedures. Even greater care must be taken in the payment of salaries to lay employees, not only to meet good accounting practices and standards of justice, but to meet the many government regulations covering employment.

In addition to the ordinary disbursements of a province/community, from time to time there will be disbursements of an extraordinary nature. These are generally, though not always, disbursements that exceed a certain amount or are for an unusual purpose (i.e.: real property.) Such disbursements require the prior consent of the superior and his consultors. The local provincial statutes determine what is to be considered an extraordinary disbursement.

Further discussion regarding disbursements is found in Section F (Procedures)

3. Statements

Statute 0174. The (vice) provincial treasurer will draw up the following reports:

Statute 0174.a. To be submitted to the (vice) provincial superior and his extraordinary council an annual report on the financial state of the (vice) province and the communities. This report is to be discussed and approved by the secretariat for finance. Likewise, he will present to the (vice)

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provincial government any other reports which it may request.

Directory of Superiors 903.2. Finances: At least once a year, the (vice-)provincial treasurer is to present for approval to the (vice-)provincial Superior and his extraordinary council a budget and financial statement for the (vice-)province as a whole and for each community. He may also be requested to give additional reports.

The (vice-)provincial chapter has the right to examine and approve the reports on the financial administration of the (vice-)province. The (vice-)provincial Superior, with the consent of his extraordinary council, has the right to approve the budget and financial statements of the (vice-)province and its communities. The Provincial Superior, with the consent of his extraordinary council, has the right to inspect and approve the annual budget of the vice-provinces under his authority, and to approve their financial reports before they are submitted to the General Government.

903.3 Local Community Finances: The treasurer of the local community will prepare the budget and financial statement of the community. These are to be approved and submitted to the (vice-)provincial Superior in accord with the determinations of the (vice-)provincial statutes.

The provincial/community treasurer is to prepare financial statements on a monthly basis. The financial

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statements will minimally consist of a Statement of Receipts and Disbursements and a Statement of Net Worth. From time to time the treasurer may be called upon to produce additional statements or schedules depending on the need of the province or community. The statements may not necessarily be GAAP but must be comprehensive, consistent, and meet the needs of the province.

In the case of the Statement of Receipts and Disbursements, a comparison will be made with the budgeted amounts and any variances will be explained. Also, both the Statement of Receipts and Disbursements and the Statement of Net Worth will be presented in comparison format to the prior period.

The treasurer himself, or someone designated by him, will present the statements to the EPC, community, or provincial membership. The presentation will include any necessary explanations. The treasurer will make every effort to make the statements understandable to all parties even if it requires a special teaching conference or seminar.

Further discussion regarding statements is found in Section F (Procedures)

4. Investments

Statute 0194. The (vice) provincial chapter and council can lay down general norms regulating the investment of money.

Directory of Superiors 905. Investments: Money is invested when it is changed into some other goods which will preserve its value or which

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bring re-turns, e.g. property, stocks, etc. The (vice-)provincial chapter and councils can lay down norms regarding investments.

Several provinces have found themselves in situations where they have been able to prudently build-up significant investment portfolios. Generally, this is from years of sound judgement in the management of surplus funds from ministries, sale of property, major donations, and other forms of receipts. This careful, prudent management and preservation of the investment portfolios is to continue. However, the portfolios are not built up simply for their own sake. The investment portfolios, as with all temporal goods, are maintained for the good of the mission. Appropriate uses for the investment portfolios include ministry, provision of financial security for the future, care of confreres, capital works, and other activities aimed at carrying out the mission. It is understood that each province will create and implement a policy for ethical social and moral investment.

It is strongly recommended that investment portfolios be managed by professional investment management firms. Importantly, the province's Invested Asset Committee, in conjunction with the Finance Secretariat and provincial treasurer, is to actively monitor the portfolio. It is the task of the Committee to investigate and advise the superior and his consultants as to the soundness, management, and proper accounting of the investment portfolio. It is further the task of the committee to ensure that all monies are ethically invested, and when possible, promote the causes of Catholic social teaching.

Further discussion of investments is found in Section F (Procedures)

5. Fixed Assets

Canon Law 1273: When referring to ecclesiastical goods as belonging to a religious institute, the secular understanding of “ownership” is not used to describe the relationship. Rather, the ecclesiastical goods have been “entrusted” to the institute/society for specific purposes; the institute/society becomes the canonical steward of the ecclesiastical goods.

Statute 0189. All temporal goods belonging in any way to the Congregation, according to the nature of the case, shall be properly administered in accordance with the norms of both civil and ecclesiastical laws, with the assistance of qualified lay people in so far as this can be done.

Statute 0190. The goods of a moral person shall be administered by its treasurer under the authority of the superior and his council, saving the right of the major superior to intervene in administration according to the norms of common law.

To carry out the mission of the Congregation, it is desirable and generally necessary to hold and maintain certain material resources. It is understood that all material resources held by the Congregation are gifts from God given to us for the specific purpose of carrying out the mission. In fact, many resources have come to the Congregation for very specific purposes. We are not free to use these resources in any way we wish. Although we are in physical possession of these material

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goods, we remember that we act as “stewards” of these resources.

Thus, as good stewards, and to put these resources to proper use, we are required to keep not only physical upkeep of the assets but detailed records and proper accounting. Therefore, the province/community is to maintain a register detailing all fixed assets. Minimally, for each asset (whether owned or leased) there will be a listing with its history, date of purchase or erection, initial purchase/construction cost, sale information (if applicable,) valuations if available, additions or improvements, associated contacts or agreements, invoices and receipts regarding additions or major upkeep items, and any other information deemed relevant. Also, the location of the title and other legal documents should be noted.

The purchase and/or improvements to existing assets are subject to cost limitations set by the province, general government, conference of bishops, or the Holy See. If such thresholds are to be exceeded, the appropriate procedures and permission must be granted before purchase or improvement.

5.1 Alienation

Statute 0192. While observing the dispositions of common and particular law, and with the approval of the general government, it belongs to the (vice) provincial chapter to lay down norms regarding the manner of holding temporal goods and disposing of them [alienation] , especially when there is question of immovable goods.

Statute 0193. b. By alienation here is understood any transfer of the dominion of goods which by

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lawful assignment constitute the stable patrimony of a juridical person, and every transaction by which the patrimonial condition of the same person could deteriorate, as for example the contracting of a debt, leasing, and any disposal of stable patrimony which is not merely administrative.

Directory of Superiors 906. Risky Transactions B. There are other transactions which, although they are not technically alienations, are treated as though they were alienations and the same laws apply to them as well. These are transactions which may worsen the patrimonial condition of the juridical person. In other words, they pose a risk to the stable patrimony of the entity. Examples of these are loans with the property as collateral, leasing the property, mortgages, etc. These transactions are commonly referred to as “1295 Transactions” because CIC c. 1295 applies the norms of true alienations to these ‘risky’ transactions.

There are specific laws which govern alienation of goods in the Church and “1295 transactions”:

- 1. Proper laws determined by the (vice-)provincial chapter and approved by the Superior General with the consent of his council, which set limits on the amount that various superiors may alienate with the consent of their respective councils.*
- 2. Universal laws set by the Holy See that determine the amount over which any alienation needs the approval of the Holy See in order to be*

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*effective and establish requirements for obtaining
this approval.*

On occasion, a province/community may find itself in a situation where it becomes desirable to dispose of some of its assets. This might be because the property is surplus and no longer needed or perhaps the financial situation is such that sale is necessary. This is referred to as “alienation” which is the transfer of ownership of certain temporal goods to some other entity. Such action is not to be taken haphazardly. The alienation of goods held by the Congregation are subject to statutes passed by the provincial chapter and subsequently approved by the General Council. In addition, some other alienations require the consent of the Holy See. Correctly done alienations require significant detail, and at the very least, will include respect for the founders’ and donors’ wishes, permission from the competent authority when the value of the temporal goods to be alienated is above a set amount, and accurate appraisal of the goods by at least two experts. *See Appendix 24 – Alienation of Property Worksheet*

It is important to note that certain transactions, though not involving a complete transfer of goods, may still be considered an alienation. These are known as “risky transactions” or “1295 transactions.” These are transactions that have the potential to devalue a temporal good or in some way limit its intended use. Using property as collateral for a loan, causing a lien to be placed on the property, limiting the use of a property through lease or rent, or any other action that might decrease the value of a property or limit how it can be used, could be considered an alienation and subject to the same rules.

Finally, this section is not intended to be an exhaustive treatment of the alienation of property. The subject has the potential to become complicated. It is best to consult Canon

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Law, the Statutes of the Congregation, and the Directory of Superiors (specifically sections 906 and 907) as well as have a canon lawyer or other expert review any plans to alienate any goods or property.

For further information see Appendix 24

6. Budgeting

Statute 0173: At the beginning of each financial year, the treasurer will present to the (vice) provincial government a budget worked out by himself with the approval of the secretariat for finance. This budget will cover the receipts and expenditure both of the (vice) province and the individual communities.

Statute 0195. it is the duty of the (vice) provincial superior and his extraordinary council, at least once a year, to examine and approve the budget and financial report of the (vice) provincial government and the communities under its authority. Moreover, the provincial superior, and his extraordinary council will inspect every year the budget and financial report of the vice-provinces.

Directory of Superiors 903.2. At least once a year, the (vice-)provincial treasurer is to present for approval to the (Vice-)provincial Superior and his extraordinary council a budget and financial statement for the (vice-)province as a whole and for each community....The (Vice-)provincial

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Superior, with the consent of his extraordinary council, has the right to approve the budget and financial statements of the (vice-)province and its communities. The Provincial Superior, with the consent of his extraordinary council, has the right to inspect and approve the annual budget of the vice-provinces under his authority, and to approve their financial reports before they are submitted to the General Government.

The province/community will prepare a realistic budget on at least an annual basis. Forecasting receipts and disbursements will inform the province/community as to its ability to meet the mission goals for the coming year from at least a financial perspective. It will also make it possible to monitor spending for the year to determine if it is within appropriate limits.

The community budget will be initially prepared by the local treasurer and superior and then submitted to the entire community for discussion and approval. Upon approval by the community, the proposed budget will be submitted to the provincial finance secretariat for discussion. Any questions or concerns will be related back to the community. Once the finance secretariat is satisfied, the budget will be approved and the community will be informed of the acceptance.

The provincial budget will be initially prepared by the provincial treasurer with the assistance of the finance secretariat. Upon completion, the proposed provincial budget will be submitted to the EPC for review. Any questions raised by the EPC will be related back to the provincial treasurer. Once satisfied, the EPC will approve the budget for the coming year.

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At the end of each month, the provincial/community treasurer will prepare a Statement of Receipts and Disbursements Actual to Budget Comparison. Any variances (both over and under budget) will be investigated and communicated to the community or provincial and his consultants as appropriate. The necessary action will be taken to bring receipts or disbursements in line to the budget unless the variance is justified.

Further discussion regarding budgeting is found in Section F (Procedures)

E. OTHER RELATED POLICIES

1. Individual Patrimony

From the Constitutions and Statutes: Decree of Pius X, 31st August 1909: The members of the Congregation of the Most Holy Redeemer take a simple vow of poverty and of a perfectly common life. By virtue of this vow: They retain only the radical dominion of their property and the right to receive the fruits or revenues coming from it. They cannot acquire new property for themselves, except by inheritance or by gift from relatives, unless the title of acquisition already existed, certainly and formally, before the taking of the vows. They cannot form, or increase, for themselves a capital sum from the fruits or revenues of their property. They cannot dispose of their property, either by act inter vivos, or in view of death, except in favour of relatives to the fourth degree inclusively whether of consanguinity or affinity, but not of spiritual relationship, or in favour of the Congregation, or for Masses for themselves or for their relatives, or for a determined pious work in favour of a third party, in which case the permission of the superior general or of the provincial is necessary.

Although all confreres have taken a vow of poverty, there are occasions when a confrere receives an inheritance from a parent, sibling, or another individual with whom he had a relationship prior to entering the Congregation. This inheritance becomes a confrere's patrimony. Though the confrere retains

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ownership of his patrimony he is not allowed to have access to it while he is living. Canon law requires that a confrere appoint someone of his own choosing to administer the patrimony who will then make all decisions regarding its ordinary administration.

Though the confrere has no control or access to the principle of the patrimony he does have limited say regarding distribution of its earnings. It is important to note however, that though he has some control over the distribution of the earnings, there are only four possible choices. He is not allowed to keep the interest for his own use nor is it allowed to be used to increase the principle. It is required that the earnings be distributed and in a timely manner.

In terms of the actual distribution of earnings, as noted above, there are four possibilities permitted by the decree of Pius X, that is 1) blood relatives up to the fourth degree (grandniece or grandnephew) 2) the Congregation (assumed to be “without strings attached”) 3) masses to be said for themselves or their relatives 4) for a pious work (charity) of a third party solely with the permission of the provincial. At the death of a confrere, the principal and any accrued interest will be given to the beneficiary designated in the confreres will.

The proper administration of patrimony has the potential to be complex. It is strongly advised that all provinces have a formal policy patrimony in place that has been thoroughly vetted by a canon lawyer.

2. Confreres Living Outside of Community

Statute 211: The major superior, for a just reason and with the consent of his council, can permit a member to live outside a house of the Institute...Such a member remains under the care of superiors.

Constitutions 062: Whatever the members acquire by their industry or in view of the fact that they are religious, they acquire for the Institute, and for that reason it must be incorporated in the goods of the community.

Canon 668 §3: Whatever a religious acquires through personal effort or by reason of the institute, the religious acquires for the institute. Whatever accrues to a religious in any way by reason of pension, subsidy, or insurance is acquired for the institute unless proper law states otherwise.

In general, Redemptorists live in community. However, for different reasons, with the approval of the provincial superior, a confrere may live and work apart from an established Redemptorist house. Although living alone, a confrere continues to practice his vows. The vow of poverty is no exception.

Whenever possible, payment for services of a confrere living outside of community is to be made directly to the province. The confrere will develop a budget to determine costs for living outside of community (rent, food, transportation, etc.) The budget is to be approved by the provincial and his consultants who will determine the amount to be remitted back to

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the confrere on a monthly basis. The confrere's budget will be reviewed on at least an annual basis.

3. Redemptorist Administered Parishes

*Directory of Superiors 801. Parishes Acceptance
801.1 Competent Authority: The (vice-)provincial Superior with the consent of his extraordinary council may accept the care of a parish from the Diocesan Bishop. 801.2 Procedure: A written agreement should be made between the Diocesan Bishop and (vice-)provincial Superior. "Among other matters this agreement is expressly and carefully to determine the work to be done, the persons to be attached to the parish and the financial arrangements".*

It is not uncommon for a province to staff and administer a parish for the benefit of the local ordinary. In such situations, the church and other buildings may have been built by the Redemptorists who would then hold legal title, or the province might have taken over administration of an existing church titled under the name of the bishop. Regardless of the situation, the province is to take great care in the financial administration of the parish, particularly in cases where the parish provides significant income to the province.

The pastor is to ensure that the parish accounting system follows all financial objectives, procedures, and reporting requirements as set forth by the diocese. The same policies of accountability and transparency practiced by the province must be applied to the parish. If the province requires a higher standard of care than the diocese, the parish will adhere to the

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higher standard. Although it is understood that the provincial has no direct involvement with the parish itself, for the purpose of review, and if permitted by the bishop, he is to receive the same financial reports as the local ordinary.

Great care must be taken in the separation of the Redemptorist community finances from the finances of the parish. There cannot be any co-mingling of funds. Bank accounts must be separate and any compensation from the parish to members of the community must strictly follow diocesan guidelines. Personal expenses of the confreres must be paid for from the funds of the community and never from the parish. All transactions between the community and the parish must be well documented.

In some situations, an allocation of costs between the parish and community must be made. For example, if the parish is supporting the rectory and several confreres live in the rectory who do not work for the parish it is necessary for the community itself to bear some of the expenses of the rectory. A parish should not be required to pay full utilities, food, or salaries related to a rectory if some confreres stationed there do not benefit the parish. Some form of allocation of costs must be used. It does not matter what system is used to make the allocation if it is consistently applied and fairly represents the cost relationships.

To avoid possible conflict, the Directory of Superiors calls for a formal contract between the province and diocese outlining the responsibilities of both parties. Regardless of any existing “goodwill” between the province and diocese a well written contract will go far in terms of avoiding any future misunderstandings. Many dioceses already have a standard contract; however, if needed, a sample contract can be found in

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the Directory of Superiors Supplement Part II – Contracts A.
Sample Contract for the Acceptance of a Parish.

F. PROCEDURES

1. General

1.1 Objectives

1. The accurate recording of financial transactions, to include all receipts and disbursements in daybooks/logs and in the accounting system, to enable the preparation of reliable, up to date, and accurate periodic and annual reports.
2. The timely receipt in advance of periodic budgets from all communities by the province treasurer to facilitate proper planning and control of financial operations.
3. The preparation of accurate budgets for each period.
4. The effective monitoring and approval of periodic budgets, including an explanation of any variances.
5. To enable the preparation of accurate periodic financial statements for review by the Finance Secretariat and the relevant superior's council as an essential component of the overall control environment.
6. To enable the preparation of cash flow projections for capital disbursement projects to ensure that enough funds are available to complete these projects.
7. To provide a detailed requirement list to facilitate the efficient preparation of the annual financial statements and reports.
8. To provide for effective monitoring of financial statement preparation in advance of circulation to the Financial Secretariat and the relative superior's council.

1.2 Procedures

1. General

a) Financial statements are prepared on a monthly basis by the treasurer.

b) Financial statements are reviewed by the local superior, or an individual delegated by the local superior, and are submitted to the provincial treasurer within 10 working days of period-end and 1 month of year end.

c) The provincial treasurer compiles all financial statements from communities into one consolidated statement within 1 month of period-end and 2 months of year end.

d) Community budgets, which are submitted to the Finance Secretariat, will be monitored by the provincial treasurer on a monthly basis to ensure communities are adhering to their individual budgets.

e) Cash flow projections for capital disbursement projects are prepared by the local treasurer and approved by the Finance Secretariat in conjunction with the Fixed Asset Committee for proposed capital disbursement projects. Capital disbursement is defined as a non-recurring disbursement of an amount determined by the province.

f) The Finance Secretariat establishes whether the province has adequate cash resources available to fund the proposed project.

g) Capital disbursement proposals should indicate the timescales of the project, including the phasing of disbursements and the sources of funds.

2. Daybooks/Logs and General Ledger

a) The local treasurer and the provincial treasurer promptly enter all receipts and disbursements into daybooks/logs.

b) Where appropriate, non- local currency transactions (i.e. US Dollar, British Sterling, Euro's) are recorded in separate daybooks.

c) All supporting documentation (i.e. paid invoices and receipt vouchers) are systematically filed to allow for easy retrieval. A maximum amount of allowed un-vouched disbursement per person should be determined by the province and consistently applied.

d) The local treasurer and provincial treasurer conduct monthly reconciliations between the daybooks and physical bank statements to confirm that all transactions are accurately processed.

e) At the end of each month, the local treasurer and provincial treasurer enter the recorded transactions from the daybooks/logs into the accounting system.

3. Budgets and Financial Monitoring

a) The local treasurer with the involvement of the local superior prepares community budgets. The annual budget is prepared each November and submitted to the provincial treasurer by 30 November each year.

b) The draft annual community budget is considered by the community and reviewed and approved by the local superior.

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c) The local treasurer submits the approved annual community budget to the provincial treasurer.

d) The provincial treasurer compiles all annual budgets for submission to the Finance Secretariat.

e) The Finance Secretariat reviews and recommends all annual budgets for approval to the relative Superior's Council.

f) The provincial treasurer compares the actual disbursements to-date with the annual budgeted amount and with approval of the provincial, sends this review to the local treasurer within 1 month of any period end. Possible meetings may follow between the provincial treasurer, the local treasurer and the local superior.

g) A variance of 10% or more over total annual budget disbursement requires the local superior to bring it to the attention of the provincial.

h) Subsequent to the Financial Secretariat meeting, all budgets are circulated to the relative superior's council.

4. Budget Guidelines

a) Comparison figures of the two previous years budgets and actuals should be included

b) Explanatory notes should be provided including an assessment of past trends

c) Blanket percentage increases over on the previous year should be avoided where possible

d) Gross receipts should be shown, i.e. before related disbursements. Related disbursements should be analysed separately. For example, parish receipts should be shown separately from parish disbursements. Receipts and related costs

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items should be consistently named to easily determine the surplus or deficit from that activity.

e) Fundraising receipts and disbursements should be included

f) Gifts and Legacies should never be included unless an item is confirmed or received into the bank account

g) Amounts under generic headings such as “General Disbursements,” “Admin Disbursements,” or “Personal Disbursements” should be avoided, unless there is no relevant account category.

5. Preparation of Financial Statements

a) The local treasurer, with the approval of the local superior, submits the community financial statements to the provincial treasurer within the timeframes set out at point 1 above.

b) The financial statements reflect all disbursements relevant to each period including those disbursements which have not been paid, such as payroll deductions, creditors, etc.

c) The provincial treasurer validates the financial statements to the communities’ record of financial transactions on the accounting system.

d) The provincial treasurer performs such checks that are necessary to confirm that all receipts and disbursements are recorded in the correct general ledger accounts in the accounting system.

e) The provincial treasurer consolidates all community receipts and disbursement data in the accounting system to

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enable the production of the province's consolidated financial statements.

f) Financial statements should incorporate comparative figures for the prior year to identify trends and unusual movements.

g) The provincial treasurer signs off on the province's consolidated financial statements as evidence of his approval and clearance for circulation. The consolidated financial statements are circulated to the Finance Secretariat and the relative superior's council for review and approval.

2. Cash and Bank

2.1 Objectives

1. The safeguarding of monetary assets.
2. The maintenance of complete and accurate records of receipts and disbursements.
3. The secure documentation of receipts and the legitimacy of disbursements.
4. The secure movement of funds between bank accounts.
5. The minimisation of the number of bank accounts in operation consistent with the efficient administration of banking arrangements.
6. The achievement of best use of funds regarding the mission and goals of the Redemptorists.
7. The promotion of effective governance and accountability over cash resources in the interests of the province/community.
8. The remittance of funds overseas for mission purposes is conducted in compliance with local regulatory and legislative requirements.

9. The mitigation of risk of the unauthorised and ineffective use of funds in a decentralised control environment.
10. To ensure periodic assessment of prevailing banking arrangements.
11. To monitor bank charges to ensure best possible arrangements.
12. To maximise interest earning options for cash deposits which is received on the gross basis.
13. To ensure that a clear audit trail is in existence to enable the requirements of good governance and of the charities legislation to be complied with as required.

2.2 Procedures

1. General Banking

a) Each community must only operate under those bank accounts which are directly controlled by the individual community and should not open additional bank accounts without the express approval of the provincial.

b) The local treasurer is responsible for controlling and accounting for all bank transactions.

c) All bank accounts must be held in the name of the Redemptorists.

d) At least two authorised signatories are required for each bank account.

e) The opening of new bank accounts at the community and provincial level should be kept to a minimum for control purposes.

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f) All receipts and disbursement relating to the Community must be accounted for by the local treasurer in the accounting system.

g) All bank accounts held on behalf of the community must be included in the community's accounting records.

h) All communities are permitted to hold only up to one (1) months nominal disbursement in cash to limit the risk of loss or theft.

i) Any excess funds in cash should be submitted to the provincial treasurer for safekeeping.

j) Interest shall not be applied or paid on the excess funds submitted to the provincial treasurer.

k) All bank accounts held in the name of the Redemptorists are deemed to belong to the province thus the provincial and provincial treasurer have the right to view and monitor these accounts as deemed appropriate.

l) The provincial must give approval to the opening of any new community bank account.

m) Financial responsibility for the operation of all community bank accounts rests with the local treasurer.

n) All Communities shall operate no more than two accounts, namely a checking and savings account. Any variation from this arrangement requires written approval from the provincial.

o) High standards of management and financial control are required for all bank accounts to ensure effective control over receipts and disbursements or any activity associated with the Redemptorists.

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p) All cash receipts/cheques should be recorded in a cash receipts book. Cash registers should be introduced at cash receipt areas. Rectors and local superiors, or an individual delegated by the local superior, should maintain the cash receipts book.

q) Cash receipts should be deposited in the bank on a timely basis by a person other than the one recording the actual receipts.

r) Amounts logged should be compared to the cash receipts record and maintained daily.

2. Cheques

a) Only Redemptorists can be cheque signatories.

b) Any new signatory must be approved by the local superior and communicated to the provincial treasurer.

c) Two signatories are required to sign all cheques.

d) Pre-numbered Disbursement Vouchers are required for all cheques and electronic disbursements. No check may be signed without a Voucher which must be signed by the signatory prior to the check signing.

e) Cheques should be signed at a designated day and time once a week.

f) Under exceptional circumstances, cheques may be signed outside of the assigned time, however it should be noted that this is only in exceptional circumstances.

g) A maximum amount requiring the approval of the superior before signing should be determined by the province and consistently applied.

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h) Signatories will not sign blank cheques or cheques payable to themselves.

i) Cheques should be filled in completely before signing.

j) The local treasurer is responsible for maintaining custody of the financial records and cheque books for the community and associated ministries.

k) Any changes to bank mandates are to be promptly notified to the relevant bank.

l) Copies of all bank mandates are to be forwarded to the Provincial treasurer and a register of these mandates should be kept.

m) Cheques are restrictively crossed prior to issuance or sending on to third parties.

3. Cash Handling

a) The Redemptorists receive cash from a range of sources, including, but not limited to, the following:

- (i) Publications
- (ii) Mass Stipends
- (iii) Apostolic work and Other Missionary Services
- (iv) Parish Missions
- (v) Church Collections
- (vi) Fund Raising

b) Upon receipt of cash (cash for the purposes of this section includes cheques) the following procedures apply:

- (i). A written record of all incoming cash must be prepared by the treasurer.

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- (ii). The record should include the amount, a description, the date, and name of signatory.
 - (iii). A formal receipt should be issued subsequent to the receipt of any monies.
 - (iv). On a daily basis reconciliation should be performed by the local treasurer to account for incoming cash. This should be signed and dated by the local treasurer.
 - (v). All discrepancies should be immediately investigated.
- c) All cash should be kept in a safe until deposited with the bank.
- d) Cash should be deposited with the bank no less than once a week and more if significant amounts have been received.

4. Credit Card Policy

a) Generally, individual confreres do not have or use credit cards. However, in extraordinary situations, some units have recognized the need and benefit to the unit to allow use of a credit card by an individual confrere in certain circumstances. In such situations, credit/petrol cards may be issued to confreres with the express approval of the provincial and with the knowledge of the provincial/local treasurer.

b) All credit/petrol cards are monitored by the local treasurer who will inform the local superior, provincial, and provincial treasurer as appropriate. Credit/petrol cards are to be used for only approved activities and in accordance with established, pre-approved single purchase limits, monthly spending limits, funds availability, and the appropriation of a budget or grant.

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- (i) Each province should establish a maximum amount that can be incurred in any single transaction without prior approval.
 - (ii) Users are to refrain from splitting the costs of an invoice or purchase in order to circumvent the credit card process and established, pre-approved single purchase limits, monthly spending limits, and/or funds availability.
 - (iii) Spending limits will be established by the superior.
 - (iv) Spending limits may be increased or decreased by the superior as necessary.
- c) The credit/petrol card is always to be kept secured.
- d) The credit/petrol card is to be used only for disbursement where immediate payment is required, e.g. on-line bookings, petrol, travelling
- e) Payment by credit/petrol card does not in any way affect the authority limits for placing orders for goods and services or remove/alter the procurement policy and procedures in terms of receiving quotes, etc.
- f) Cash advances are not permitted on the card. In the event of a lost or stolen credit/petrol card the issuer must be notified immediately. The local treasurer shall be notified simultaneously together with details of the incident.
- g) The use of a credit card to pay for an item does not remove the need to obtain receipts/supporting documentation. These should be obtained in addition to the credit card voucher.
- h) On a monthly basis;
- (i) Each user of a credit card must submit the prescribed form to the local treasurer with a

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breakdown of the disbursements along with the card statement.

(ii) The submitted form should be dated and signed.

(iii) A record is maintained of the credit card disbursements by the local treasurer.

(iv) Credit/petrol card disbursements are posted to the general ledger by expense category (i.e.: not as a single total amount.)

(v) An overall monitoring exercise is conducted at regular intervals by local superiors and at an aggregate level by the provincial and provincial treasurer.

5. Bank Reconciliations

a) Monthly bank reconciliations shall be prepared by the local treasurer within 10 working days after month-end.

b) An independent review of the bank reconciliation should be performed by a person, other than the preparer of the reconciliation, at the community level. This person will normally be the local superior or an individual delegated by the local superior.

c) All journals are filed in date and numerical order with a separate journal register for each month.

d) On a monthly basis, the local treasurer sends a back-up of the accounting system to the provincial treasurer.

6. Direct Debits and Standing/Bank Stop Orders

a) Disbursements for utilities may be implemented as Direct Debits or Standing Bank/Stop Orders, examples of such suppliers include municipal services, DSTV, etc

b) In relation to other suppliers, whose monthly invoices are of similar low or consistent value each month, Direct Debits/Standing Orders may be implemented.

c) In the case of suppliers whose charges are regularly queried or are subject to review, Direct Debits or Standing Orders as a method of payment must not be used.

d) Implementation:

(i) Direct Debits and Standing Orders are to be approved by the superior and treasurer before being implemented. A Control Sheet of all Direct Debits and Standing Orders should be maintained.

e) Controls:

(i) Direct Debits and Standing Orders should be listed in the accounting system as recurring items

(ii) Invoices for all Direct Debits and Standing Orders must be processed just as with other disbursement.

7. International Disbursements

a) All international disbursements and other transactions require full documentation to be sent to the provincial treasurer.

b) Acknowledgment by the recipient should be sent by email and to include:

- (i). Bank statement
- (ii). Confirmation of the amount transferred
- (iii). Date the funds were received
- (iv). Confirmation of the intended use of the funds

8. Remuneration Received for Services Rendered

a) A confrere providing pastoral services for remuneration or a fee shall be directly responsible, in their personal capacity, for the filing of any governmental documentation and payment of tax.

b) Generally, services provided to other Catholic organizations do not require any filing or tax. However, each province needs to familiarize itself with the taxation system in their country for exceptions.

c) The advice of the provincial treasurer should be sought where individual confreres are uncertain about taxation liabilities related to remuneration received for pastoral services.

9. Internet Banking

a) Access to internet banking passcodes should be limited to the authorised cheque signatories mandated to operate specific bank accounts.

b) Internet banking transactions should strictly adhere to the signatory guidelines and spending limit guidelines for transactions by cheque. Internet banking transactions must always involve an initiator of the transaction and two authorisers (one of who may be the initiator).

c) The Provincial and provincial treasurer shall maintain access rights to all online banking systems. However, this right does not extend to user rights.

3. Disbursements and Procurement

3.1 Objectives

- 1.To achieve the best use of monetary assets.
- 2.To achieve the greatest measure of consistency and uniformity across the provinces in relation to procurement and disbursement decisions.
- 3.To inform the province as to good practices in relation to disbursement and procurement decisions.
- 4.To stimulate debate in the province and among confreres regarding potential areas for improvement in procurement decisions.
- 5.To ensure that procurement decisions are planned in an orderly and careful fashion.
- 6.To acknowledge that the lowest or abnormally low tender prices or quotations may not represent best value.
- 7.To ensure that a clear audit trail is in existence to enable the requirements of transparency and accountability.
- 8.To define the control environment and specific internal controls intended to operate in respect to disbursement and procurement decisions.
- 9.To set out the authorisation levels within the province by reference to the scale of disbursement involved.

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- 10.To ensure that the purchase of goods and services are carried out in line with agreed province budgets and constraints.
- 11.To avoid, to the greatest possible extent, the incidence of urgent, impulsive, and “last minute” procurement decisions.
- 12.To ensure that proper checks are prepared at invoice approval stages prior to payment.
- 13.To promote cooperation and bulk buying, (e.g. insurance, phone contracts, etc.) across all communities to ensure best value.
- 14.To determine retention periods for contractual documentation and invoices.
- 15.To ensure that goods received in good condition.
- 16.To ensure that services are received in accordance with contractual obligations.
- 17.To ensure fair dealing with suppliers to include prompt and timely discharge of invoices submitted in accordance with terms and conditions.
- 18.To encourage the accumulation of skills and expertise within the province in relation to the handling of contract negotiation and contractual arrangements.
- 19.To ensure that travel and all related costs for the purposes of the province’s works are incurred only where necessary and in accordance with norms acceptable to the province.
- 20.To ensure suppliers/service providers are not engaging in corrupt and fraudulent activities and in compliance with laws pertaining to employees and other relevant areas.
- 21.To avoid potential conflicts of interest.

22.All contracts with suppliers and contractors are to be thoroughly vetted and scrutinized though particular attention is to be paid to contacts involving significant amounts of funds.

3.2 Procedures – Disbursements /Purchase Orders

1. General Purchasing

a) Prior to creating a purchase order (PO), the following steps should be taken:

- (i). A review is conducted to ensure appropriate approvals and other criteria have been met.
- (ii). The supplier is issued with a contact name and address to include on the invoice.

b) A PO is created for purchases over a set amount determined by the province. Exceptions to this policy are as follows:

- (i). Overhead disbursements (light, heat, insurance)
- (ii). Personal disbursements (flights)

2. Procure to Pay

a) Creating a PO:

- (i). Determine the need for the goods or service.
- (ii). Follow the procurement procedures guidelines (See section 3.3)
- (iii). Ensure chosen supplier is already approved by the local treasurer.
- (iv). Prepare the PO and submit to the local superior for approval.

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(v). POs are two-part and pre-numbered; one part for the supplier and second part serves as the goods received note.

b) Approval of PO:

(i). Upon approval of the PO by the superior the order can be placed with the supplier.

(ii). In situations where a PO has been submitted for urgent approval, but the local superior is not available, it can be approved by the local treasurer

(iii). The local superior or local treasurer should only approve disbursements on items already approved through the budget of the community.

c) Delivery of the Goods/Services

(i). Goods and services are delivered to the location specified on the PO.

(ii). Goods delivered are checked to the original PO.

(iii). Discrepancies are investigated and resolved.

d) Invoice Approval

(i). A purchase invoice register is maintained for control purposes.

(ii). Invoices are checked against the original PO.

(iii). Invoices are approved by the individual who ordered the goods/services.

(iv). Prior to payment, invoices are retained in an un-paid invoices file until payment.

(v). Paid invoices are retained in a paid invoices file.

3.3 Procedures - Procurement

1. Competitive Procurement Process

a) The Competitive Procurement Process guidelines stated in this section (3.3) are standard best practices when using donated and charitable funds.

b) The Competitive Procurement Process is a basic principle of procurement used across the board by all levels in the Congregation.

c) Under exceptional circumstances the principle may be waived though only with the express approval of the provincial and his council.

2. Authorisation Limits

a) Each province (superior and his council or the chapter) should establish spending authorization limits for the following offices:

Local superior

Local superior with consultors

Provincial

Provincial with consultors

Provincial with extraordinary consultors

b) The limits set for maximum expenses by the various provinces must be approved by the Superior General with the consent of his council.

c) Depending upon the country in which the province is located, certain amounts require the approval of the Holy See

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d) The relative superior's council will annually set guidelines and parameters around the discretionary spending limits of individual confreres.

e) If the incurring of expenses "worsens the patrimonial situation" of the house or province, the provisions for alienation are followed.

f) In circumstances where the intended disbursement cannot be accurately established, it shall be necessary to make the best estimate of disbursement possible having regard to any known information.

3. Disbursements for Lower Amounts

a) Each province should determine a range of expenditure amounts labelled as "lower." A reasonable maximum amount will be set and any expenditures from zero up to that amount will fall into this category. An expenditure amount labelled as "lower" requires authorization and scrutiny but not to the extent of more significant expenditures. Supplies or services (including professional services) falling within the "lower" expenditure range may be purchased on the basis of verbal quotations from one or more competitive suppliers/service providers.

b) Costs and procedures outlined above are indicative only and should be adapted as appropriate to suit the type of contracting authority and the nature and scale of the project.

c) Reasons for procedures adopted, including procedures where a competitive process was not deemed appropriate, should be clearly recorded.

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d) All contract award procedures should include a verifiable audit trail.

e) Copies of all quotations obtained, should be retained for future reference. In the case of verbal quotations, a brief note on the purchasing file should be maintained stating the following:

- (i). Name of the supplier
- (ii). Date contacted
- (iii). Quote
- (iv). Condition of supply
- (v). Brief comment on the suitability of supplier

4. Disbursements for Intermediate Amounts

a) Each province should determine a range of expenditure amounts labelled as “intermediate.” A reasonable maximum amount will be set and any expenditures from the maximum lower range amount up to that amount will fall into this category. An expenditure amount labelled as “intermediate” requires authorization and scrutiny but not to the extent of more significant expenditures. Supplies or service contracts falling within the “intermediate” expenditure range can be awarded based on responses to requirements /specifications sent in writing, by fax or email to at least three suppliers or service providers.

b) Details of the quotations received must be retained by the communities and may include written, faxed or emailed quotations. Quotations should be for the same individual items to allow for open and transparent comparisons.

c) In acquiring supplies or entering into contracts it is understood that cost is not the only factor in the decision to

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choose a vendor or accept a quote. Quality of work, ability to deliver on time, etc. are also relevant to the decision. Communities can and should take these non-financial factors into account.

d) Communities must be able to demonstrate they have sought alternative quotes which was part of the decision in awarding the contract.

e) Where a contract is not awarded to the supplier or vendor giving the lowest quote, the rationale for the decision must be documented.

f) Communities are expected to obtain three quotes.

g) In exceptional circumstances where a community is unable to obtain three quotes, the reasons and rationale behind the subsequent decisions must be documented.

h) Communities should always strive to obtain at least three quotes including going beyond the local area if necessary.

5. Disbursements for Higher Amounts

a) Any amount above the maximum amount for the intermediate expenditure range is labelled as “higher.” An expenditure amount labelled as “higher” requires significant authorization and scrutiny. Contracts above the “higher” expenditure amount should be publicly advertised as part of a formal tendering process.

b) Depending on the nature of the requirement, it may be appropriate to supplement national website advertising with advertising in other media such as trade publications and/or on other websites.

c) Alternatively, a process of direct invitation to tender may be used. This may involve:

- (i) Invitation to firms deemed appropriately qualified for a particular project (this may be appropriate for specialised requirements in markets where there is a limited number of suppliers or services providers); or
- (ii) Invitation to tender to organisations on a list established on an open and objective basis.

6. Recommended Procedures for Evaluation and Contract Award

a) For projects exceeding a higher expenditure amount being awarded based on the most economically advantageous tender, it should be the normal practice to have the evaluation of tenders carried out by a group of people with the requisite competency. This may include independent representation and/or an external specialist.

b) Transparency and objectivity are best demonstrated using a scoring system or marking sheet based on the relevant weighted criteria, including price, indicating a comparative assessment of tenders under each criterion.

c) Endeavour to award contracts to the lowest quotation wherever possible. However, the contract should be considered based on the most economically advantageous tender applying the following criteria:

- (i). Quality of service
- (ii). Capacity to deliver the service within an appropriate timescale
- (iii). Price

- (iv). Overall value for money
- (v). Organisation's expertise in area
- (vi). References

d) As an aid to understanding and clarity, it may be appropriate to invite the most competitive tenderers to present or elaborate on proposals for technical or consultancy projects.

e) Any dialogue with tenderers that could be construed as "post tender negotiation" on price or result in significant changes to the published or advertised tender specifications must be avoided. It is important that communities consider the tender decision in line with available budgets.

7. Result of Tendering Process

a) All tenderers should be informed of the result of the tendering process without delay.

b) The reason for the final decision should always be documented.

(i) Please note that a brief rationale is enough, for example, wording such as "awarded contract as most economical tender" is normally acceptable.

(ii) However, if the contract is not awarded to the lowest quotation it is important to more fully document the reasons for the decision.

c) Tender and contractual documentation is retained for at least six years.

d) Confidentiality is observed in relation to contract negotiation and agreement.

8. Contract Register

a) A contract register is maintained by the local treasurer in respect to all contractual arrangements.

9. Standard Terms and Conditions

a) Supplier/service provider arrangements shall be conducted in accordance with the Redemptorist's standard terms and conditions of business.

10. Conflicts of Interest

a) A conflict of interest is a situation in which a person has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties as a Redemptorist or co-worker.

b) Confreres and co-workers should be aware of potential conflicts of interest in the tendering process and should take appropriate action to avoid them.

c) Care should be taken to ensure that project specifications and criteria should be as open and generic as possible in order to avoid favouring any one solution or any one party.

d) All persons involved in the decision-making process must disclose if they have a conflict of interest with a tendering organisation.

11. Taxation Issues

- a) Tenderers should be invited to express tender prices inclusive of Value Added Tax (VAT).
- b) Communities should obtain, prior to the commencement of work, tax clearance certificates from contractors in the interest of ensuring that the contractors are meeting their wider taxation compliance obligations in the State.
- c) Contractual obligations for contracts over amounts classified as lower expenditures should not be entered until such time as the contractor has furnished the relevant tax clearance certificates.
- d) Communities are required to maintain a copy of this tax certificate on their files for future reference.
- e) Tax clearance certificates are not required for contracts that fall within the lower expenditure amount range.
- f) Information on taxation issues, including relevant contracts tax, should always be checked
- g) It is the reality that not only does every country have its own unique tax legislation with varying complexities but that the Church herself is coming under increased scrutiny. Great care must be taken in meeting all governmental tax regulations. This will be particularly challenging in those provinces which consist of several different countries. Professional advice should be sought when handling all taxation matters.

3.4 Procedures - Disbursements – Personal

1. General Policies

a) Expenses for the purposes of this section relate to disbursements of a personal nature, e.g. books, clothing, holidays, etc.

b) The relative superior's council will annually issue guidelines as to personal discretionary spending limits for individual confreres.

c) Personal judgement and discretion should be applied when incurring expenses.

d) Credit card analysis forms with the card statement should be submitted on a regular basis and at the latest within one month of any expenses being incurred.

e) Any questions as to the completion of the credit card analysis form should be raised with the local treasurer for clarification.

f) Compliance with the above procedures are mandatory and binding on all Redemptorists.

2. Purchase Receipts

a) All disbursements must be supported by itemised receipts provided by the vender/supplier. This documentation must be submitted to the local treasurer no later than the end of the month.

4. Investments

4.1 Objectives

1. To formulate investment goals and objectives for the Congregation.
- 2 .To maximise the return derived from the holding of investments consistent with the principles of prudent and careful management.
3. To determine the decision-making process for investment instrument selection.
4. To specify the procedures and relevant measurement indices to be used in assessing on-going investment performance in accordance with the investment objectives.
5. To ensure the correct and timely crediting of interest payments.
6. To annually review the criteria used to measure and evaluate investment performance.
7. To establish best practice accounting policies and recording of investments.
8. To ensure that investments are made in such a manner as will enable the continuance of the province's charitable tax exemption status.
9. To ensure that investment management fees are computed correctly in accordance with the contractual agreements.
10. To facilitate and enable the bi-annual review of the investment portfolio by the EPC.
11. To ensure proper regard is given to the allocation of investments across different categories of investment consistent

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with the careful and prudent management of the overall portfolio.

12. To ensure investment funds are used for important capital purposes and other projects in exceptional circumstances, and then only with the approval of the Superior's Extraordinary Council.

13. To have regard for an ethical investment policy.

4.2 Procedures

1. General

a) The long-term investment objective is capital growth within medium range risk parameters.

2. Recording/Accounting

a) Security holdings such as certificates of deposit, shares, debentures or government bonds are accounted for by trade date.

b) Financial assets are stated at market value on the balance sheet.

c) When securities or other assets are sold or otherwise disposed, the realized gain or loss is calculated as difference between the net proceeds of the sale/disposal and the purchase cost.

d) For a sale of a security, the realised gain or loss is recognised on the trade date.

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e) Unrealised market gains/losses for all holdings are calculated by comparing the latest market value of the holding with the total cost.

f) Income arising as a result of invested patrimonies is not income and should not be accounted for as such.

g) Patrimony investments are accounted for as a liability due to confreres of the province.

3. Investment Constraints and Limitations

a) An investment classified as long term will be held for an indefinite period of time with the assumption of no conversion to cash in the near future

b) The province must be familiar with the legal and regulatory considerations of the country where the province is located to ensure no violation of tax issues surrounding charities.

c) All investments are held by the province.

d) Communities shall not make financial investments without the express permission of EPC.

4. Permitted Investments

a) The following are the only investment instruments allowed:

- (i). Publicly traded equities
- (ii). Private equities (rarely and subject to restriction)
- (iii). Government bonds
- (iv). Commodities
- (v). Property
- (vi). Cash

b) Any variation in the investment strategy from the permitted investments or any proposed changes to the

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investment portfolio will require the approval of the Finance Secretariat/Invested Asset Committee and the EPC.

c) The provincial is to be notified of any investments not held by the province.

5. Monitoring of the Funds

a) On a monthly basis each investment manager will provide to the Invested Asset Committee the following:

- (i). Portfolio holdings at the end of the month
- (ii). Portfolio transactions during the month
- (iii). Rates of return for the portfolio, compared to relevant indices or benchmarks;
- (iv). Commentary on any material changes, including market values.

The Invested Asset Committee will report as appropriate to the Finance Secretariat. The Finance Secretariat will report to the provincial and his consultants.

b) On a quarterly basis each investment manager will provide to the Invested Asset Committee the following:

- (i). Rates of return for the portfolio and each asset class within the portfolio;
- (ii). A commentary on the investment performance market values, including a comparison to the rate of return of the Benchmark Portfolio; and
- (iii). A commentary on the markets including market outlook and management strategy.

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(iv). Confirmation that each fund complies with the investment guidelines previously agreed upon between the manager and province.

(v) . Confirmation that each fund complies with ethical investing guidelines.

The Invested Asset Committee will report as appropriate to the Finance Secretariat. The Finance Secretariat will report to the provincial and his consultants.

c) Investment guidelines will be reviewed every three years.

d) Upon review of the investment guidelines, changes in the following areas may require a revision:

(i). Long-term risk/return/correlation trade-offs in capital markets

(ii). Risk tolerance of the benchmarks

(iii). Legislation or regulation

(iv). Shortcomings in the investment guidelines which become apparent in the practical application

(v). Significant modifications in the benchmarks used by the managers

(vi). Changes in objectives and/or constraints of the investments;

(vii). Any unapproved breaches of the policy.

6. Patrimony and Community Investments

a) Funds are often held for the benefit of other entities (communities, confreres, apostolates, other provinces.) These funds are deposits and belong to the other entities. In particular:

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- (i). Individual confrere patrimony held and invested by the province belongs to the individual confrere and is thus held as a liability due the confrere
- (ii). Individual community funds held by and invested by the province belongs to the community and should be held for its benefit

7. Reserves

a) Reasonable amounts of funds may be set aside. These reserves may be available for general use as the need arises or designated for a particular purpose (formation, elder care, etc.)

G. OTHER ACTIVITIES RELATED TO THE GENERAL GOVERNMENT

1. Annual Report

0174. The (vice) provincial treasurer will draw up the following reports:

0174.a. To be submitted to the (vice) provincial superior and his extraordinary council an annual report on the financial state of the (vice) province and the communities.

0174.b. To be submitted to the general government; a shorter report bearing the signatures and comments of the (vice) provincial superior and his council. The report of the (vice)province shall, moreover, be signed by the provincial superior and his consultors. The form for this report will be set out by the same general government.

Directory of Superiors 403. Annual Reports: 403.1 Financial and Audit Report: A. These reports on the financial state of the (vice-) province and its communities are to follow the form determined by the General Secretariat for Finance and approved by the General Government found in the Manual for Administration and Financial Affairs. B. They are to be sent within six months of the close of the (vice-)province's fiscal year. C. They require the approval of the (vice-)provincial Superior with

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the consent of his extraordinary (vice-) provincial council (DS PI7). It is to be signed by the (Vice-) provincial Superior, the (vice-)provincial secretary in the name of the council, and (vice-)provincial treasurer. D. The financial and audit reports of a vice-province al-so require the approval of the Provincial Superior with the consent of his extraordinary provincial council before being forwarded to the General Government. The approval must be signed by the Provincial Superior and the provincial secretary in the name of the council. Therefore, two official copies should be sent by the vice-province to the province, one for its records and one to be forwarded by the province to the General Government with its approval.

The annual report assists the General Council to understand the financial health of the entire Congregation. Every unit of the Congregation is required to submit the annual report using the prescribed form issued by the Economo General.

The point of the report is to improve stewardship through encouraging a high level of transparency and accountability in financial matters and to foster a spirit of co-responsibility for the resources of the Congregation. The information is additionally used to determine the annual contribution of the unit to the General Government.

The completed Annual Report is due no later than six (6) months following the end of the fiscal year of the unit.

For further information see Appendixes 14

2. Province Contribution

a) Standard

General Government Decree: The General Government of the Congregation of the Most Holy Redeemer, having considered the need for greater economic solidarity in the Congregation, the needs of the Units to maintain formation, and support the mission of the Congregation, in accordance with General Statute 0191, b, 1, establishes a new form of annual contribution: The contribution will be calculated based on a flat rate of 1.5% of the annual revenue of each Unit (Province, Vice-Province and Region), with the exception of income and expenditure that will be indicated in the letter accompanying this Decree.

Every unit in the Congregation is to pay an annual contribution of 1.5% of its annual income. Generally, all income of the unit is subject to the contribution percentage. This includes not only the direct income of the province, vice province, and region but also the income of the individual communities.

Province:

As noted, though in general, all income is included for the 1.5% contribution, certain income items are exempt. These are:

Proceeds from Property Sales (contribution calculated separately)

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Proceeds from Solidarity Funds
Proceeds from other CSsR Units

In addition, the following items are deductible from income to determine the amount subject to the contribution percentage. These are.

Care of Sick and Elderly
Formation Costs
Conference Contributions
Subsidies to Communities
Subsidies to other CSsR Units
General Government Contributions

Communities:

Communities are allowed the same deductions with the addition of contributions to the (vice) province.

Related Entities:

For the sake of the mission, individual units are often involved in a variety of juridical entities which are separate from, though managed by, the unit. In general, the income generated by the activity is not subject to the contribution rate except for the following circumstances:

- 1) Any funds from the related entity flowing into the unit is subject to the same contribution rate as the other income of the unit.
- 2) Any funds from the related entity flowing into a community is subject to the same contribution rate as the other income of the community.

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3) Any funds spent by the related entity on behalf of the unit or a community is considered income to that unit or community subject to the contribution rate. For example, if the entity directly pays a utility bill for the unit or a community, the amount of that payment is income to the unit or community subject to the contribution rate.

b) Property Sale

General Government Decree: The General Government of the Congregation of the Most Holy Redeemer in order to promote within the entire congregation a spirit of solidarity, and considering that in the end all properties of the Units belong to the Congregation (cf. Const 62), has decided that the Units (Provinces, Vice-Provinces and Regions) must pay the General Government 5% of the revenue received from the sale of all property assets (Directorium Superiorum 906). The money from this tax, subject to the discernment and judgment of the General Government, will be used to finance urgent and necessary projects (e.g. Alphonsian Academy; Solidarity Fund, Fund for Africa and Madagascar, new pastoral initiatives, etc..). It will not be used to cover the running expenses of the General Government.

Patrimonial property (i.e.: residence, monastery, retreat house, seminary, etc) is subject to a contribution of 5%. The contribution is based on the gross sales price and is due at the time of sale.

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An exception to the 5% contribution rate is made for real property sold by a unit which was owned specifically and solely to produce income (i.e.: rental property, non-mission related business, etc.) Such a sale is subject to the standard contribution rate of 1.5%.

A property is classified as “income only property” if it meets the following criteria:

- 1) It was acquired and used for a trade or business, that is, the property was used exclusively for activities carried on solely for the purpose of producing income from selling goods or performing services.
- 2) The income producing activities of the property were regularly carried on and pursued in a manner similar to comparable commercial activities of non-religious organizations.
- 3) From the beginning, that is, the day the property was acquired, the activities performed on the property were **not** substantially related to furthering the stated mission or purpose of the province, that is, were **not** conducted to evangelize, spread the gospel, convert souls, provide seminary training, etc.

If the sold property does not meet the above criteria it is subject to the 5% contribution rate.

The contribution is based on the gross sales price and is due at the time of sale.

3. Solidarity Fund

The Solidarity Fund is administered by the General Government on behalf of the Congregation. It has been established to aid units in the area of initial formation as well as other pastoral projects for the good of the mission. In addition,

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under certain circumstances, Solidarity grants are available to individual Redemptorists pursuing graduate studies in Rome.

Every unit currently up to date in its annual reporting to the General Government is welcome to make a request for funding by completing and submitting the application form. A region or vice-province makes its request to its province. The province in turn relays the request to the General Government. In the application process the unit will clearly state the intended use of the funds and justification for the assistance. Request for funds must be made before December 31 of the prior year. A new application must be submitted every year a grant is requested. Applications received by the due date will be considered by the General Council during the month of March. Any applications received after the due date will not be considered until September.

At the end of the year, prior to submitting another request for funding, an accountability form must be completed detailing the use of the funds received. No new funding requests will be accepted until the accountability form is completed.

4. Internal Audit

25th General Chapter Decision 48: The General Government will oversee the development of a standard Internal Audit Plan. This will guide an independent Internal Audit of the financial records of any unit in the Congregation that does not already conduct a formal external audit. The audit will be conducted on an annual basis, by a Redemptorist or lay person with a background in accounting, from a unit other than the one being audited.

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Directory of Superiors 903.2 (vice-)provincial Finances: At least once a year, the (vice-)provincial treasurer is to present for approval to the (vice-)provincial Superior and his extraordinary council a budget and financial statement for the (vice-)province as a whole and for each community.....As required by Decision 48 of the 25th General Chapter of 2016, [where there is no external audit] the treasurer will ensure that an independent internal audit will be conducted each year.

The 25th General Chapter, acknowledging the need for better accounting practices throughout the Congregation, mandated an internal financial audit for those units not already conducting annual outside professional financial audits. The General Council further extended the requirement for the internal audit to all units in the Congregation regardless of whether the unit conducts an outside audit. This is not a duplication. Much of the internal audit requirements will be satisfied by an external audit but it will ensure that all aspects of the internal audit are met throughout the Congregation. The audit will be conducted by a trained individual from another unit. The audit was further expanded by the General Council to include not only purely financial matters but also adherence to a general lifestyle typically expected of religious in terms of uses of resources.

As noted above, the audits are to be conducted on an annual basis and in two parts. The audit then, will evaluate not only direct financial matters but also compliance with generally understood cultural norms in terms of how available resources are used. More specifically, it will be conducted to determine:

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1) overall compliance with the Manual for Administration and Financial Management, and 2) compliance with generally understood proper use of resources as outlined in the Constitution & Statutes, Plan of Community Life, etc.

H. APPENDICES

Appendix 01

Sample Province Chart of Accounts

Current Assets

- 01-1001 Petty Cash
- 01-1003 Checking
- 01-1005 Payroll Account
- 01-1020 Savings
- 01-1045 PayPal
- 01-1101 Money Market
- 01-1106 Other

Long-term Assets

- 01-1108 Cash - Portfolio
- 01-1110 Fixed Income - Portfolio
- 01-1115 Equities – Portfolio

Other Assets

- 01-1250 Accounts Receivable
- 01-1265 Loans Receivable
- 01-1285 Allowance for Doubtful Accounts
- 01-1335 Prepaid Expenses

Fixed Assets

- 01-1500 Land
- 01-1505 Buildings & Building Improvements
- 01-1510 Equipment Vehicles & Furniture
- 01-1545 Accumulated Depreciation

Liabilities

- 01-2000 Accounts Payable

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01-2225 Community Deposits
01-2250 Ministry Deposits
01-2290 Other Deposits
01-2310 Mass Stipends
01-2400 Loans

Equity

01-3000 Equity
01-3100 Restricted Equity

Revenues

01-4100 Contributions - General
01-4101 Contributions - Formation
01-4102 Contributions - Medical
01-4103 Contributions - Missions
01-4105 Grants
01-4115 Wills & Bequests
01-4120 Community Contributions
01-4125 Social Security
01-4150 Retirement Income
01-4200 Investment Income
01-4220 Investment Fees and Charges
01-4230 Realized Gains/Losses
01-4236 Unrealized Gains/Losses
01-4335 Other Revenue

Expenses

01-5001 Pre-Novitiate
01-5002 Novitiate
01-5003 Theology
01-5006 Vocation Office
01-5008 Sabbatical Education
01-5009 Miscellaneous Educational
01-5010 Scholarship Distributions

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01-5020 Salaries
01-5021 Employee Payroll Taxes
01-5022 Benefits Expense
01-5023 Employer Payroll Taxes
01-5024 Severance Expense
01-5026 Office Supplies
01-5028 Telephone
01-5030 Internet Access
01-5031 Postage
01-5033 Memberships
01-5035 Training
01-5040 Meetings
01-5044 Travel - General
01-5045 Travel - Airfare
01-5047 Development
01-5050 IT Maintenance
01-5055 Consultants
01-5080 Office Rent
01-5085 Other Office Expenses
01-5100 Depreciation Expense
01-5115 Other Property Expenses
01-5120 Bank fees
01-5130 Communications
01-5172 Printing
01-5205 Redemptoristines
01-5215 Grants
01-5220 Assistance to the Bishops
01-5225 Assistance General Government
01-5230 Assistance - Conference
01-5235 Stipends for Redemptorists
01-5236 Professional Services
01-5238 Gifts
01-5435 Medical Insurance
01-5436 Medical Reimbursements

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- 01-5437 Medical
- 01-5439 Funeral Expenses
- 01-5442 Social Security Tax
- 01-5445 Assistance to Confreres
- 01-5450 Auto Insurance
- 01-5455 Liability Insurance
- 01-5460 Property & Contents Insurance
- 01-5530 Emergency Fund Expense
- 01-5535 Foreign Missions
- 01-5540 Gain/Loss on Sale of Fixed Assets

Appendix 02
Sample Community Chart of Accounts

Assets

- 001-01 Cash
- 001-02 Checking
- 001-03 Savings

Liabilities

- 001-10 Payables
- 001-12 Loans

Equity

- 001-20 Equity

Income

- 101-00 Stipends
- 102-00 Apostolic Work
- 114-00 Salaries
- 125-00 Gifts
- 135-00 Investment Income
- 150-00 Assistance from Province
- 155-00 Miscellaneous Receipts
- 163-00 Extraordinary Receipts

Expenses

- 202-02 Electricity
- 202-04 Gas
- 202-06 Telephone
- 202-08 Water
- 202-10 Laundry
- 202-12 Property Maintenance
- 203-14 Property Insurance

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206-00	Household
208-00	Office & Internet Expense
211-00	Food
215-00	Refreshments
221-02	R & R
221-06	Vacation Expense
224-00	Clothing
226-02	Medical Insurance
226-06	Medical Expenses
229-00	Education
235-02	Auto Travel
235-06	Other Travel
235-10	Auto Insurance
250-00	Contribution to Province
259-00	Gifts
260-00	Solidarity
262-00	Miscellaneous Expense
275-00	Extraordinary Expense
285-00	Other Expense

Appendix 03

Sample of Provincial Financial Policies (Denver)

FINANCIAL POLICIES

I. General Policies

A. The Province will keep before it the model of Jesus, whose example of “poverty for the sake of the mission,” remains the ideal to be followed. In this regard, special attention must be given to the General Constitutions 61-70.

B. The Province will follow the policies, procedures and guidelines set forth in the Redemptorist Manual for Financial Affairs. This includes full cooperation with the General Government internal audit process. The Province will also be in full compliance with any civil law pertaining to church or charitable organizations.

C. The Provincial Bursar will be selected by the Extraordinary Provincial Council; this selection is to be made carefully, and, if necessary, adequate training should be provided for the confrere selected to be bursar.

D. The Province will establish a Finance Secretariat. The role of the Secretariat is to advise the Bursar and the Extraordinary Provincial Council on all financial matters. In addition, a Fixed Asset Committee and an Invested Asset Committee will be established. These Committees are part of the structure of the Finance Secretariat. The Fixed Asset Committee will review all matters regarding the physical assets of the Province (buildings, shrines, etc.) The Invested Asset Committee will consider the financial investments of the Province.

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E. No extraordinary projects will be undertaken without the approval of the Ordinary Provincial Council. Extraordinary projects are those whose projected cost is more than \$250,000 USD.

F. The Provincial Bursar will prepare financial reports (balance sheet and receipts statement) on a monthly basis. These reports will be sent to all members of the Ordinary Provincial Council and Finance Secretariat. On a quarterly basis, upon approval of the Ordinary Provincial Council, financial reports will be prepared by the Bursar to be sent to all members of the Province. An annual report will be prepared by the Bursar to be presented to the Finance Secretariat for review. Upon the recommendation of the Finance Secretariat, the report will be submitted to the Extraordinary Provincial Council.

G. The Provincial Bursar will submit the approved annual report to the General Government. In addition, the Bursar will complete the General Government Annual Reporting Form. All inquiries and requests from the General Government will receive a complete and timely response from the Province.

H. There will be a qualified and trained bursar in each community. Generally, the bursar's role is not to be held by the local superior.

I. No individual confrere, community, apostolate or parish is to spend monies given directly to them for salary, stipend, gift or for any other reason. All monies received under any circumstance must be "turned in" to the community bursar to be deposit-ed into the designated and approved bank account.

J. On a monthly basis, each community, parish, apostolate, and individual confreres living outside of community, will submit a financial report to the Provincial Bursar. The reports are to include a copy of the entity or individual's bank statement. These reports are submitted by the local bursar (where

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appropriate) following the review and approval of the local superior and are due by the 7th of each month.

K. Each community, on a monthly basis, will meet formally to review the financial statement submitted to the Provincial Bursar. Any discussions will be respectful yet candid. The purpose of the meetings is to ensure appropriate spending on the part of individual confreres and the community itself. The spirit of Redemptorist life and the mission should prevail.

L. Upon the re-assigning of a local superior, a “state of affairs” report of the community will be prepared. The report will include a current receipts statement, balance sheet, and a detailed asset list. The report will be presented to the incoming superior and a copy will be submitted to the Ordinary Provincial Council.

M. No individual confrere, community, apostolate, or parish will enter into a contract of any nature without the express approval of the Extraordinary Provincial Council. This includes, but is not limited to, the financing of any real property purchase or construction project.

N. No individual confrere, community, apostolate, or parish will acquire any asset (i.e.: automobile, equipment, etc.) with a cost in excess of \$5,000 USD, or real property (i.e.: land, building) of any cost, without the express approval of the Extraordinary Provincial Council.

O. The Province will always seek to be transparent in its financial affairs. Most particularly to the members of the Province, the Denver Province, and the General Government. At the same time, it is understood that on occasion, the privacy of an individual confrere may be an issue and this needs to be considered. Also, it is understood that entities outside the Redemptorists do not necessarily need to be in-formed of our financial situation.

II. Office and Duties of the Provincial Bursar

A. The office of Provincial Bursar is held by Redemptorist in good canonical standing. If necessary, he can be assisted by a professional lay person.

B. The Provincial Bursar is to maintain a standardized and comprehensive ac-counting system. The office will follow policies, procedures and guidelines as set forth in the Redemptorist Manual for Financial Affairs. The Bursar will further ensure Provincial compliance with all civil law as well as any canon law not mentioned specifically in the Manual. The Provincial Bursar is an ex-officio member, overseer, and Executive Secretary of the Finance Secretariat and accompanying Fixed Asset and In-vested Asset Committees. The Bursar will regularly work with and seek out the advice of these bodies.

C. The Provincial Bursar will complete the General Government Annual Report as well as promptly and completely respond to any inquires made by the General Government. The Bursar will assist and fully cooperate in the General Government Internal Audit.

D. It will be the duty of the Provincial Bursar to make timely payment of all Provincial bills and debt disbursements. The Bursar will be responsible for the disbursement of all approved subsidies to local communities and to individuals in approved special circumstances.

E. The Provincial Bursar will prepare monthly, quarterly, and yearly financial reports to include, but not limited to, statement of receipts & disbursements and balance sheet. Other reports will be prepared as requested by the Provincial. All reports will be comprehensive and easily understood by the intended users. A narrative will be included when appropriate.

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F. The Provincial Bursar will be the overseeing agent of any approved Provincial investments. In this duty he will work directly with the Invested Asset Committee.

III. Secretariat / Committees

A. A Finance Secretariat will be established to assist the Provincial Bursar as well as the Provincial and his consultors. All financial matters of the Province, communities, and individual apostolates are within the purview of the Finance Secretariat.

B. The duties of the Financial Secretariat include, but are not limited to, review of financial statements, review of Provincial and community budgets, monitoring of compliance to General Government and Provincial financial policies, pro-posing and developing new financial policies as the need arises, making recommendations to the Provincial and his consultors, reviewing reports from the Fixed Asset and Invested Asset Committees.

C. The Secretariat will consist of the Provincial Bursar as an ex-officio member and secretary, a member of the Ordinary Provincial Council to act as a liaison, and six (6) members from around the Province. A formal education or expressed experience in accounting is not required of members though they will be able to comprehend financial reports and other financial issues. The Finance Secretariat will meet no less than six (six) times a year.

D. A Fixed Asset Committee will be established to assist the Financial Secretariat. It is part of, and will report to, the Secretariat. It will be responsible to develop policies and procedures regarding the construction, care, and maintenance of

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all buildings held by the province. This is to also include raw land.

E. The Fixed Asset Committee will provide oversight to all construction projects in the Province. This will include oversight in regard to the use of contractors, procurement of materials, and budget variances. The committee will ensure compliance to construction and bidding procedures.

F. The Fixed Asset Committee will consist of the Provincial Bursar as an ex-officio member and secretary, a member of the Ordinary Provincial Council to act as a liaison, and six (6) members from around the Province not currently serving on the Finance Secretariat. The Committee will meet at least four (4) times a year.

G. An Invested Asset Committee will be established to assist the Financial Secretariat. It is part of, and will report to, the Secretariat. It will be responsible to develop policies and procedures in regard to monies invested by the Province. It will monitor all investments of the Province particularly in the areas of security and rate of return.

H. The Invested Asset Committee will consist of the Provincial Bursar as an ex-officio member and secretary, a member of the Ordinary Provincial Council to act as a liaison, and six (6) members from around the Province not currently serving on the Finance Secretariat. The Committee will meet at least four (4) times a year.

IV. Banking Procedures

A. All bank accounts, including, but not limited to, those held by the Province, communities, apostolates, parishes, or individual confreres, must have at least two Redemptorist

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signatories. At least two of these signatories will be designated as the regular signers on the account for any checks or to authorize any withdrawals. On the Provincial level these will be the Provincial or Vicar and the Bursar. On the community level it will be the local Superior and the community Bursar (or another signatory designated by the Provincial.) All checks and withdrawal authorizations require two signatures. This applies to all bank accounts, including, but not limited to, those held by the Province, communities, apostolates, parishes, or individual confreres. In the case of apostolates or individual confreres, the Provincial will designate the second signatory.

B. No confrere may have a personal or individual bank account unless necessitated by the work entrusted to him or by family circumstances and only with the express permission of the Provincial. If a confrere is given authorization to operate a personal account, he will not be the sole signatory on the account. The second signatory will be designated by the Provincial. The Provincial or the Provincial Bursar have full authority to make any inquiries of the confrere regarding the account and to require a system of accounting and reporting.

C. Members shall report any confrere who maintains a personal bank account directly to the local superior. The local superior shall investigate the matter and inform the Provincial or his delegate. Members found to maintain personal bank accounts, without due authorization from the Provincial Superior, shall be asked to close the accounts and deposit the funds in the account of his local community or in the accounts held by the Province.

V. Budgeting

A. The fiscal year of the Province follows the calendar year (January 1 to December 31.)

B. All communities, parishes, apostolates, and individual confreres living outside of community are required to prepare and submit proposed budgets for the following year no later than July 1 of the current year. This budget will be prepared by the local bursar, in conjunction with the local community members, and signed by the local bursar and superior and submitted to the Provincial Bursar. The budget of each individual entity or individual will be discussed by the Finance Secretariat. All entities or individuals will respond quickly and completing to any inquires made by the Secretariat regarding their respective budgets. The Secretariat will complete the review process and submit their recommendations to the Extraordinary Provincial Council no later than August 1. The Extraordinary Provincial Council will accept or amend and approve the local community budgets no later than August 15.

C. In conjunction with the local community budgets, the Provincial Bursar, working with the Finance Secretariat, will prepare the budget for the Province. Up-on approval by the Finance Secretariat, the budget is to be submitted to the Extraordinary Provincial Council no later than September 1. The Extraordinary Provincial Council will accept or amend the budget.

VI. Care of Parishes and Other Apostolates

A. In all instances, when the Redemptorists have the “care of souls” in a parish, there must be a formal contract. Without exception, the contract is to be completed and signed before the

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Redemptorists “take possession” of the parish. must be in place. This contract is to state clearly who owns the buildings, properties, etc. Moreover, all financial arrangements must be clearly and legally stated, including, but not limited to, issues around salaries, sacramental stipends, and reimbursements.

B. All parish finances will be conducted with strict adherence to the accounting and reporting requirements of the local diocese.

C. In locations where a parish is under the care of the Redemptorists, the Provincial and his Council will ensure that all Redemptorist / Redemptorist community accounts are maintained separately from parish accounts (i.e.: no parish disbursements will be paid from Redemptorists accounts nor will Redemptorist disbursements be paid from parish accounts.)

D. The good name of the Redemptorists will be safeguarded by the presence of trust-worthy lay people in the accounting of, and accounting for, parish funds.

E. On a monthly basis, the parish priest, priest in-charge, chaplain, or director of the apostolate will prepare a report to inform the community of the financial status of the parish, chaplaincy or apostolate. A copy of the report will be sent to the Provincial Bursar.

F. The parish priest, priest in-charge, or chaplain is to send a copy of any periodic re-ports prepared for the diocese to the office of the Provincial Bursar for documentation. The annual version of the report should be sent to the Provincial Bursar no later than January 31.

G. The superior of each local community will ensure that all lay employees of the Redemptorists are compensated with wages in accord with justice and charity, in compliance with civil law, and considering the genuine needs of the employees.

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H. Financial misconduct (whether by fraud, embezzlement, gambling, or other misconduct) is contrary to the kind of stewardship that the vowed religious life entails. Any misuse of funds (whether parish or local community funds) by members of the province is strictly prohibited. Members shall report any suspected financial misconduct directly to the local superior, or in cases where the local superior is suspected of misconduct, the Provincial. The local superior will inform the Provincial or his delegate, who shall investigate the suspected financial misconduct. While the investigation is on-going, the suspected individual may be recalled from his responsibilities and appointments. Any misappropriated funds shall be paid back in full by the Province. When applicable, civil and Church authorities will be informed of the financial misconduct. The confrere involved, the local community and the Province will cooperate fully in any and all legal proceedings that result from the financial misconduct.

VII. Care of Confreres

A. Whatever a confrere receives by way of a salary, stipend, royalty, gift, or any other source belongs to the community to which he is assigned.

B. Pensions, earned retirement benefits, deferred retirement accounts, donations, wills from benefactors, and revenues from other sources of personal receipts (excluding a confrere's true inheritance and patrimony) are always to be remitted to the assets of the Province.

C. With the approval of the Provincial and under extraordinary circumstances, a confrere might live and work apart from an established Redemptorist house. Although living alone, a confrere continues to practice his vow poverty. Whenever

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possible, payment for services of a confrere living outside of community is to be made directly to the Province. The confrere will develop a budget to determine costs for living outside of community (rent, food, transportation, etc.) which is to be approved by the Extraordinary Provincial Council. The budget will be used to determine the amount that is to be remitted back to the confrere for living expenditures and will be reviewed by the Extraordinary Provincial Council on an annual basis.

D. Without the express permission of the local superior and the Provincial, confreres cannot accept, keep, and/or reject gifts such as land, car, loan, house, external appointments, etc. The right to dispose of temporal goods is the prerogative of the Superiors, Councils, and Chapters. No community, therefore, is permitted to share receipts from apostolic work or any other source including the sale of community or parish property with any other entity or individual without the express permission of the Ordinary Provincial Council.

E. Regarding the inheritance and true patrimonies of the confreres, the Province will be in complete compliance with the Constitution and Statutes of the Congregation including the Decree of Pius X, dated August 31, 1909, and the Decree of Benedict XV, dated May 7, 1918.

F. Those local communities which are non-subsidized and more able to contribute to the general fund of the Province are required to do so monthly. The amount of this monthly contribution is determined annually. The Provincial Finance Secretariat will recommend the amount of the monthly contributions when reviewing the local budgets of the communities. This recommendation will be discussed by the Extraordinary Provincial Council and the Provincial Bursar. Upon their mutual agreement, the Extraordinary Provincial Council will approve the monthly contributions for that fiscal

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year. This will be a great help toward eventual financial independence of the Province. In the spirit of solidarity and promotion of the overall mission, every community, regardless of its ministry, and any individual confreres living outside of community, are required to pay to the Province ten percent (10%) of gross receipts, regardless of the source or purpose of the receipts. A subsidized community will pay the percentage based on any non-subsidy receipts. At his discretion, the Provincial, after discussion with the Extraordinary Provincial Council and the Provincial Bursar, may either increase the percentage of the contribution or require an additional flat amount from a particular community.

G. No individual, apostolate or community can purchase or dispose of any temporal goods without the express written permission of the Extraordinary Provincial Council.

H. Any temporal goods acquired by the individual or community either by reason of affiliation to family/friends or apostolate must be registered in and with the Corporate name of the Province. However, if such temporal goods have been registered in another name, the change should be effected immediately. All vehicles are owned by the local Redemptorist community to which they are assigned and to the Congregation in general and they are to be available for the use of all members of the community. With the approval of the local superior and the Provincial and his Council, members may reserve a community vehicle for use to conduct a specific ministry. The keeping of a vehicle for personal use in one's own name or in the name of another person is not permitted. Thus, confreres are not to keep non-community vehicles for use without the permission of the local superior and the Provincial.

I. All property in Redemptorist houses (i.e.: televisions, appliances, furniture, some personal goods, etc.) is owned by the

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community and to be made available for the use of every member. This is the call of the common life. The use of these items is to be restricted to the common areas to help nurture our communal life. Therefore, any of these community items found in private space should be returned to the common areas. Where appropriate, such items should be given to other communities in need. In fact, this procedure consists of any goods that work against our vow of poverty. However, for medical or some special reasons, the Provincial may grant an exception to a confrere.

J. The Congregation provides for the needs of the confreres. It is its responsibility to care for the members of the Congregation. Confreres who may have serious personal or family needs are to discuss these needs with the Provincial. Our natural families have a special link with our religious family and as such have a special claim to consideration and affection, particularly when in need or difficulty. The principle of solidarity and co-responsibility should guide us herein. Furthermore, it is the responsibility of the Province to take care of the health concerns of the confreres, especially those with special health issues.

VIII. Investments

A. With the exception of a standard checking/savings account, no individual confrere, community, apostolate or parish will place monies in any financial instrument (i.e.: stocks, mutual funds, real property, etc.) without the express written approval of the Provincial. Such investments are the prerogative of the Provincial with the approval of the Extraordinary Provincial Council.

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B. All financial investments of the Province will be monitored by the Financial Secretariat through the Invested Asset Committee.

IX. Spending Limits

A. The Province Finance Secretariat, in collaboration with the Extraordinary Provincial Council, is to update and establish spending limits for various superiors and apostolate directors in the Province. These limits must be periodically adjusted per current rates of inflation/deflation. This must be done with consultation of the General Directory of Superiors, and if necessary, the Redemptorist General Government.

B. Thus, the spending limits for the Province are set as follows:

i. A local superior may authorize an expenditure up to \$150 USD with consultation and approval of the community.

ii. The Provincial may authorize an expenditure up to \$2,000 USD with-out consultation.

iii. The Provincial may authorize an expenditure up to \$4,500 USD with consultation and approval of the Ordinary Provincial Council.

iv. The Provincial may authorize an expenditure up to \$7,000 with consultation and approval of the Extraordinary Provincial Council.

v. Any expenditures beyond \$7,000 required consultation and approval from the Denver Ordinary Provincial Council.

XI. Accountability and Remedial Measures

A. Confreres are expected to give a periodic report of their stewardship. Particularly upon transfer, they (especially parish

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priests, bursars, and superiors) are required to give an account of their stewardship to their community members. Otherwise, this report is to be given at least once a year during the time that the community is pre-paring the community budget.

B. Confreres are to express co-responsibility regarding all financial matters. Therefore, receipts are to be remitted for all expenditures and to be kept on file. Unused clothing, retreat, and bereavement allowances are to be returned to the local bursar accompanied by receipts.

C. The initial response to a confrere not adhering to any of the financial policies of the Province is advise and fraternal correction. This is ordinarily the task of the local superior. If the erring confrere is the local superior, the Provincial or his delegate will provide the ad and fraternal correction. If advise and fraternal correction do not resolve the issue then whatever other measures are necessary to resolve the situation will be applied up including the possibility of a written obedience, leave of absence or a transfer, relieving the confrere of his ministerial assignment, or being removed from ministry altogether.

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Appendix 04

Sample of Patrimony Policy

I. Introduction

Although all confreres have taken a vow of poverty, there are occasions when a confrere receives an inheritance from a parent, sibling, or other relative. This inheritance becomes a confrere's patrimony. The purpose of this policy is to foster a clear understanding of the holding, use, and disposition of such patrimony (inheritance) belonging to an individual confrere.

II. Basis

From the Constitutions and Statutes:

DECREE OF PIUS X, 31st AUGUST 1909

So as to avoid all future controversy about the nature of the vow of poverty in the Congregation of the Most Holy Redeemer, founded by Saint Alphonsus Maria de Liguori, His Holiness Pope Pius X, having fully considered everything, in an audience given to the undersigned Cardinal Prefect of the Sacred Congregation of Religious, promulgated the following decree, which is to be observed perpetually by every member of the same Congregation:

1° The members of the Congregation of the Most Holy Redeemer take a simple vow of poverty and of a perfectly common life. By virtue of this vow:

2° They retain only the radical dominion of their property and the right to receive the fruits or revenues coming from it.

3° They cannot acquire new property for themselves, except by inheritance or by gift from relatives, unless the title of acquisition already existed, certainly and formally, before the taking of the vows.

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4° They cannot form, or increase, for themselves a capital sum from the fruits or revenues of their property.

5° They cannot dispose of their property, either by act *inter vivos*, or in view of death, except in favour of relatives to the fourth degree inclusively whether of consanguinity or affinity, but not of spiritual relationship, or in favour of the Congregation, or for Masses for themselves or for their relatives, or for a determined pious work in favour of a third party, in which case the permission of the superior general or of the provincial is necessary.*

6° They must dispose of the fruits or revenues of their property as soon as is morally possible.

7° They can dispose of them only in the same way as they dispose of their property.

8° They can and should dispose in the same way of dividends, pensions, life-interests, annuities, and the like if they have any.

9° They cannot have in their own name any kind of deposit, under any pretext or for any reason whatsoever.

10° They cannot keep in their own hands any administration whatsoever, either of their own property or of its revenue.

This declaration shall not merely have the force of perpetual statute or constitution, but also of an apostolic decree and mandate, and all power of mitigating or altering, totally or partially, the tenor of the same declaration is taken away, even from the general chapters.

In order that all the members of the Congregation of the Most Holy Redeemer may deserve richer blessings from heaven, and that they may feel more abundantly the strong protection of their father and lawgiver Saint Alphonsus Maria de Liguori and of Saint Clement Mary Hofbauer, the illustrious propagator of the

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same Congregation, the Holy Father earnestly recommends them to conform faithfully to this declaration notwithstanding everything to the contrary, even worthy of special mention.

Given at Rome, August 31st, 1909.

Fr. Jos. C. Vives, Prefect.

Vinc. La Puma

Paragraph 5° is superseded by the Decree of Benedict XV, 7th May, 1918 which states in 2b. “they are forbidden to alienate the dominion of their property by gift inter vivos, according to the prescriptions of Canon 583, n. 1. Everything to the contrary notwithstanding.

In summary, the paragraph that applies most appropriately to the issue of patrimony for an individual confrere is 7°. This states that the fruits of his property (interest) can only be given to:

- 1) blood relatives up to the fourth degree (grandniece or grandnephew)
- 2) the Congregation (assumed to be “without strings attached”)
- 3) masses to be said for themselves or their relatives
- 4) for a pious work (charity) of a third party solely with the permission of the provincial.

According to the decree, at no time can the individual confrere have “administration” of the funds or the interest (10°.) It is not permissible for the interest or the corpus to be used for the confrere by the confrere. Further, it cannot be added to patrimony. The four designations listed above are the only options for the interest generated by the personal patrimony.

In addition, the decree of Benedict XV limits the distribution of the patrimony corpus. Apart from the income, a confrere cannot give away his patrimony while living, even to blood relatives, the congregation, pious works, or Masses.

III. Text

A. Per the Province's "Policy Statement on Novice Wills and Legal Documents," confreres are required at first profession to prepare a will, reaffirmation of irrevocable assignment and release, and a power of attorney for property. Any properties subsequently acquired through inheritance would follow the same guidelines as set forth in the original documents. In general, a confrere will deposit patrimony with the province. It is understood however, that an inheritance might be in a trust, real property, or other financial instrument tied to co-inheritors. It is further understood that a liquidation of the confrere's interest in the instrument might be detrimental to the others involved. With the express permission of the provincial, such a particular arrangement may continue.

B. All patrimony deposited with the province will incur interest at a rate determined yearly by the Extra Ordinary Provincial Council.

C. On a semi-yearly basis, interest earned will be calculated on all patrimony deposits held by the province. Each confrere will communicate his intention to the Office of Financial Services as to how the interest is to be disbursed. It is understood that the interest will be disbursed directly by the OFS in one of the four ways permitted by the decree of Pius X. That is,

- 1) to a blood relative up to the fourth degree,
- 2) the Congregation,
- 3) masses to be said for themselves or their relatives, or
- 4) for a pious work (charity) of a third party.

As noted above, under certain circumstances it is possible for patrimony to be held in an instrument apart from the

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province. Even in these situations, the decree of Pius X still holds. It is expected that any revenue generated by the patrimony will be paid directly to the province to be disbursed in one of the four recognized ways noted in the decree.

D. At the death of a confrere, the principal and any accrued interest will be given to the beneficiary designated in the confreres will.

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Appendix 05
***Sample of Confreres Living Outside of Community
Policy***

I. Introduction

In general, Redemptorists live in community. However, for different reasons, with the approval of the provincial superior, a confrere may live and work apart from an established Redemptorist house. Although living alone, a confrere continues to practice his vows. The purpose of this policy is to foster a clear understanding of specifically the practice of the vow of poverty while living outside of community.

II. Basis

From the Code of Canon Law:

Canon 668 §3

Whatever a religious acquires through personal effort or by reason of the institute, the religious acquires for the institute. Whatever accrues to a religious in any way by reason of pension, subsidy, or insurance is acquired for the institute unless proper law states otherwise.

From the General Statutes:

Chapter V - Sixth Section - Art. 1: Absence from the Community

The major superior, for a just reason and with the consent of his council, can permit a member to live outside a house of the Institute...Such a member remains under the care of superiors.

From the Constitutions:

Chapter III - Art. 7: Poverty

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They will make every effort to live in the spirit that permeated the community of apostolic times. In this way they become the sign of that fraternal life of Christ's disciples, of whom it is said: "the whole group of believers was united, heart and soul; no one claimed for his own use anything that he had, as everything they owned was held in common" (Acts 4:32).

Whatever the members acquire by their industry or in view of the fact that they are religious, they acquire for the Institute, and for that reason it must be incorporated in the goods of the community.

III. Text

A Whenever possible, payment for services of a confrere living outside of community is to be made directly to the Province.

B. The confrere will develop a budget to determine costs for living outside of community (rent, food, transportation, etc.).

C. Once the budget is approved by the OPC it will be used to determine the amount that is to be remitted back to the confrere on a monthly basis.

D. The confrere's budget will be reviewed by the OPC on an annual basis.

Appendix 06
***Sample Policy of Financial Malfeasance and
Remedial Measures***

I. Introduction

Redemptorists are called to live in community. This is part of who we are as Catholic religious. We are reminded throughout chapter two of our Constitutions that by our actions, we are responsible to not only God, but to our community members as well. In this we further understand that “our community” is not limited to our local community but can be our province or even the entire Congregation. Hopefully, we all live this call to community by not only respecting and practicing charity towards one another but also by abiding by our rule of life and following the practices that would be expected of any Christian.

Unfortunately, this is not always the case. Some confreres might choose to not be accountable to the community, particularly in financial matters. Others may deliberately commit what could only be called theft from either the community or an apostolate. Such actions on the part of a confrere need to be addressed and ended. The potential damage to the local community, Congregation, and to the society at large make this an absolute requirement.

II. Text

A. The initial response to a confrere not adhering to any of the financial policies of the Province is advise and fraternal correction. This is ordinarily the task of the local superior. If the erring confrere is the local superior, the Provincial or his delegate will provide the advice and fraternal correction.

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B. If advice and fraternal correction do not resolve the issue then the next measure is to dialogue with the offending confrere. This would regularly be conducted between the confrere in question and the local superior. Appropriate actions or sanctions should be applied particularly if canonically prescribed. In cases where the local superior is the confrere in question, the dialogue is to be between him and the Provincial or his delegate.

C. If dialogue with the confrere does not resolve the issue, then a warning should be issued from the Provincial or his delegate. The authority should state clearly and firmly to the offending confrere the consequences of his actions, especially where the behaviour in question is becoming a pattern or source of scandal.

D. If the confrere does not heed the warning the Provincial will implement one or more of the following remedial measures.

I. A demand for correction may come in the form of a Written Obedience. This may accompany a demand for an apology. A confrere is expected in humility and obedience to submit to the correction prescribed and, if required, to apologize for the offence committed. The details of apology will be stipulated within the Written Obedience.

II. If it is determined that a confrere might suffer from an emotional or behavioural disorder, then the confrere will be ordered by the Provincial to go for psychological testing. If it is determined that the confrere does have an emotional or behavioural disorder, then the Provincial will order that the confrere be sent for the appropriate treatment. The Provincial will maintain contact with the professionals who are caring for the confrere to determine the best course of action for the well-being of the confrere and the Congregation.

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III. If the Provincial determines that a leave of absence or a transfer might resolve the issue, he may require a compulsory leave or transfer for the confrere.

IV. The Vice Provincial may relieve an erring confrere of his current ministerial assignment and reassign the confrere to a different ministry.

V. The Vice Provincial may, in certain cases, remove or suspend an erring confrere from active ministry, depending on the offence committed. Grave crimes or repeated offences may demand temporary or permanent removal from active ministry. In such cases, the Provincial and the local superior will devise a plan that stipulates what the confrere may or may not do and a system of accountability will be developed and implemented. In certain cases, the local ordinary of the Diocese may remove the faculties of a confrere who is a priest. This is especially true if the confrere is found guilty of committing or abetting in a crime or offence that is injurious, grievous, and/or harmful to the Church.

VI. Where the situation has turned to serious scandal that will jeopardize the image of the Church and the Congregation, the Provincial may petition the General Government to expel the confrere from the Congregation.

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Appendix 07

Sample of Anti-Fraud/Whistle-Blower Policy

The Redemptorists will investigate any suspected fraudulent or dishonest use or misuse of resources and/ or property by any staff member, confrere, person in leadership, or council member. Investigations might include outside sources such as auditors, attorneys, or law enforcement. Failure to follow high ethical standards will result in disciplinary action including possible dismissal and/ or civil or criminal prosecution if warranted. Vendors or other professionals with whom the Congregation is engaged are expected to adhere to the same high ethical behaviour.

Failure to follow high ethical standards is defined as any deliberate act, or failure to act, whereby the perpetrator seeks to obtain an unauthorised benefit. Such acts include, but are not limited to,

- Forgery or alteration of documents
- Unauthorised alteration or manipulation of computer files
- Fraudulent financial reporting
- Violating the Redemptorist Conflict of Interest Policy
- Misappropriation or misuse of Redemptorist resources, such as funds, supplies or other assets
- Authorising or receiving compensation for goods not received or services not performed
- Authorising or receiving compensation for hours not worked.

Any third parties affected by the fraud (donors, parishioners, regulatory bodies, etc.) will be immediately

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notified of any confirmed fraud concomitant to the actions being made to rectify the situation. The same action may be taken if fraud is suspected, though unconfirmed, if the situation warrants.

Any staff member, confrere, person in leadership, or council member who observes an act of fraud is encouraged to report to the appropriate party. This would include any activity that is deemed illegal, unethical, or against the policies of the Congregation. Such “whistle blowers” can be assured that their identity will be held in strict confidence and that the Congregation will not take any action against them. If the individual is uncomfortable speaking to his/her immediate superior the report can be made directly to the provincial.

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***Appendix 08
Sample Purchase Order***

Redemptorists
Roma, 00185
Italy

Vendor		Date:	P.O No.		
		Ship To			
Item	Description	Quantity	Rate	Amount	
Authorization Signature				Total	

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***Appendix 09
Sample Payment Voucher***

Redemptorists
Roma, 00185

Vendor					
		Date	P.O No.		
System Account Number	Description	Check / Cash	Check Number	Amount	
Authorization Signature			Total		

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Appendix 10
Sample Receipt

Redemptorists
 Roma, 00185
 Italy

Payee / Donor	Date			
Description		Cash / Check	Check Number	Amount
Received by		Total		

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***Appendix 11
Sample In-Kind Contribution Form***



Organization name:

Address:

Contributor Information

Name of business or individual:

Name of primary contact:

Address:

Telephone: _____

E-mail: _____

Contributed Goods or Services

Description of contributed goods or services:

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Date(s) contributed:

Real or estimated value of contribution:

How was the value determined?

Cost Appraisal Other

If other, please explain:

Who made this value determination? _____

Is there a restriction on the use of this contribution?

No Yes

If yes, what are the restrictions?

Signature of Contributor:

Date_____

Appendix 12

Sample Declaration of Conflict of Interest

Conflict of Interest and Disclosure Statement

Name:

Position:

Organisation Name	Position Held	Name	Relationship

Signed: _____

Date: _____

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***Appendix 13
Sample of Ethical and Socially Responsible
Investment Policy***

The province will invest in companies:

- Whose products or services are of benefit to humankind, with minimal harmful impacts and with an emphasis on meeting basic needs rather than luxuries. This does not however automatically rule out companies whose activities might be considered largely frivolous, if their customers are not predominantly the privileged in society.

The investment portfolio will be compiled:

- **To avoid companies materially involved in:**
 - o armaments
 - o brewing/distilling; retailing of alcohol as a main activity
 - o gambling
 - o tobacco manufacture; retailing as a major activity
 - o abortifacients
 - o contraceptives
 - o embryonic stem cell / human cloning research
 - o other activities which are felt to harm society more than they benefit it
- **To have regard to the way companies conduct their businesses in all the markets in which they operate, as well as what their business is. This includes:**
 - o employment conditions

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- o equal opportunities policy and practice
- o enabling all employees to make the fullest possible contribution to a company's progress
- o environmental impact, while accepting some companies in extractive industries
- o attitudes to customers
- o openness in reporting to stakeholders
- o attitude to the communities in which they operate
- o integrity in all their dealings
- o promotion of human rights, especially in countries with oppressive regimes
- o following best current practice in corporate governance

***Appendix 14
Annual Financial Report***

Unit Name: _____ Unit Code: _____

**ANNUAL FINANCIAL REPORT
(Approved in June 2012)**

**IMPORTANT: DO NOT CHANGE THE FORMAT OF THIS
REPORT & READ THE ACCOMPANYING
EXPLANATIONS.**

Fiscal year Ending: _____ Currency used in this Report: _____
dd / mm / yyyy

**A: UNIT'S ADMINISTRATION: (Province, Vice-Province or
Region)**

01. Total assets at the End of the Year: _____
*(Exclude property; include cash, investments, money owed to
you)*

02. Total owed to others at the End of Year (liabilities) _____
(e.g. money held for others, loans, restricted funds, etc.)

03. Income for the Year

<u>Type</u>	<u>Amount</u>
03.1. Ministry	_____
03.2. Gifts, legacies, etc.	_____
03.3. Contribution from communities	_____
03.4. Income from Investment	_____
03.5. Rental Income	_____
03.6. Sale of Property	_____
03.7. Subsidy from Solidarity	_____
03.8. Subsidy from other C.Ss.R. Units	_____

(Indicate from which Units on page 2)

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03.9. Subsidy from other Organisations _____
03.10. Other Income _____
(Details on page 2 if more than ten percent of total income)
Total Income for the Year _____

04. Expenses for the Year

<u>Type</u>	<u>Amount</u>
04.1. Ministry	_____
04.2. Formation Expenses	_____
04.3. Administration	_____
04.4. Care for sick and retired, health insurance	_____
04.5. Annual Contribution to the General Government	_____
04.6. Contribution to the Conference	_____
04.7. Subsidy to houses of your Unit	_____
04.8. Subsidy to other C.Ss.R. Units <i>(Indicate to which Units on page 2)</i>	_____
04.9. Subsidy or gift to non-C.Ss.R.	_____
04.10. Purchase of Property	_____
04.11. Constructions	_____
04.12. Other expenses <i>(Details on page 2 if more than ten percent of total expenses)</i>	_____
Total Expenses for the Year	_____

05. Net Surplus/Deficit _____
(Difference between total 03 and total 04)

Section A - Details of the Unit's Administration

A 01 and 02

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If there is a significant difference (more than ten percent) between the Assets and Liabilities at the end of last year and the end of this year, please explain the difference.

A 03

03.8. Subsidy from other C.Ss.R. Units (Province, Vice-Province or Region)

Describe the donations from other CSsR Units, refer to Section A.03 page 4 of the explanation (list Unit and amount)

03.9. Subsidy from other Organisations

Describe the subsidies from other Organisations (list organisations and amount)

03.10. Other Income

Describe other items of income that exceed ten percent of the total as requested in Section A, item 03.10 on page 1. (list categories and amounts)

A 04

04.8. Subsidy to other C.Ss.R. Units (Province, Vice-Province or Region)

Describe the donations to other CSsR Units, refer to Section A.04 page 4 of the explanation (list Unit and amount)

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04.12. Other Expenses

Describe other items of expense that exceed ten percent of the total as requested in Section A, item 04.12 on page 1 (list categories and amounts)

B: STATUS of the COMMUNITIES and MISSIONS of your UNIT

Note: Please give the combined amounts of all communities together!

01. Total assets at the End of the Year
(Exclude property; include cash, investments, money owed to communities) _____

02. Total owed to others at the End of Year (liabilities)
(e.g. money held for others, loans, restricted funds, etc. by communities) _____

03. Income for the Year

<u>Type</u>	<u>Amount</u>
-------------	---------------

Combined Total Income for the Year

Please indicate the combined totals for the following categories, included in the above Total Income

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- 03.1. Sale of Property _____
- 03.2. Subsidy from other C.Ss.R. Units _____
- 03.3. Subsidy from other Organisations _____

04. Expenses for the Year

<u>Type</u>	<u>Amount</u>
-------------	---------------

Combined Total Expenses for the Year

Please indicate the combined totals for the following categories, included in the above Total Expenses

- 04.1. Formation Expenses _____
- 04.2. Care for sick and retired, health insurance contributions _____
- 04.3. Contributions to your Unit's Administration _____
- 04.4. Subsidy to other C.Ss.R. units/communities _____

05. Net Surplus/Deficit

(Difference between total 03 and total 04) _____

06. Number of communities/houses/residences in your Unit

(Including communities and missions outside the territory of the Unit that belong to your Unit) _____

C: Partly and Fully RELATED ENTITIES

Please list all foundations, projects, e.g. charitable organisations and trusts, colleges, schools, TV stations, radio stations,

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publications, hotels, retreat houses, guest houses and others, that are owned or managed to any degree, by Redemptorists.

1. Name of Entity:

Please describe the juridical and financial relationship of entity to the Unit.

.....

If these have not been included in Section A of this Report

Please state the total assets of the entity at the end of the Year. _____

Please state the total liabilities of the entity at the end of the Year. _____

Please state the total income of the entity for Year. _____

Please state the total expenses of the entity for Year. _____

2. Name of Entity:

Please describe the juridical and financial relationship of entity to the Unit.

.....

If these have not been included in Section A of this Report

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Please state the total assets of the entity at the end of the Year. _____

Please state the total liabilities of the entity at the end of the Year. _____

Please state the total income of the entity for Year. _____

Please state the total expenses of the entity for Year. _____

3. Name of Entity:

Please describe the juridical and financial relationship of entity to the Unit.

.....

If these have not been included in Section A of this Report

Please state the total assets of the entity at the end of the Year: _____

Please state the total liabilities of the entity at the end of the Year.: _____

Please state the total income of the entity for Year: _____

Please state the total expenses of the entity for Year. _____

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P.S. If your Unit has more related Entities, use more copies of this page.

Questionnaire – Major Planned Financial Operations

I

Are there any plans to purchase new property or otherwise develop existing buildings? If so, what is the expected cost of the entire project? What is the source of financing? Please describe.

II

Are there plans to sell currently owned property? If so, what are the expected proceeds from the sale? What is the current intended use of the proceeds? What donation are you considering for the needs of the worldwide Congregation, e.g. Solidarity Fund, Africa and Madagascar Fund, Alphonsian Academy, the General Government, etc.?

Unit Treasurer

Unit Superior

Unit Vicar

Unit Ordinary Consultor

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Date

Seal of the Unit

Email of Unit Treasurer: _____

If a Vice-Province or Region to be approved by:

Provincial Superior

Provincial Treasurer

Date

Seal of the Province

(This Form is available online in the Supplement to this Manual.)

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***Appendix 15
Solidarity Policy***

1. General Rules

1.1. The General Government administers the Solidarity Fund on behalf of the Congregation. The Solidarity Fund is an auxiliary to financial support by Provinces for the mission of the Congregation.

1.2. The General Government will consider the requests for help from Solidarity Fund during its extraordinary meetings. Major disasters will be considered immediately.

1.3. Requests will be presented to the General Government before the end of the calendar year prior to the expense. The General Government will consider these at the first extraordinary meeting in the New Year. The requests in extremely urgent and unexpected situations may be presented at any time.

1.4. The Province will approve every request from its Vice province or Region. Hence, the Province presents the request to the General Government. Inter Vice Province applications need the approval of their provinces.

1.5. Present the request using the attached form. List clearly all the sources from which money for the project comes and/or Units, institutions, persons solicited for this purpose.

1.6. The General Council will consider the request in the context of the economic situation of the Unit, as it is known from General Visitations, other visits, annual financial reports, and other connected documentation. The lack of regular and clear annual reports from the Unit may impede the process.

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1.7. In distribution of the means available, the General Government will follow the hierarchy of priorities, as stated below.

1.8. In some particular cases (like 2.2, 2.3) a habitual (e.g. yearly) donation is possible.

1.9. The money distributed on behalf of the Solidarity Fund comes from interest earned on the Solidarity capital and from the contributions of the Units of the Congregation made for this purpose.

2. Priorities

2.1. The cases of emergency (natural and other disasters, wars and other armed conflicts, serious health situations, etc.)

2.2. Most urgent needs (Units that have difficulty to survive, for instance after a war or during a serious economic crisis).

2.3. Formation

In this area the following priorities should be observed:

2.3.1. Basic studies and formation programmes at a stage of initial formation (bed and board, fees, etc.)

2.3.2. Construction and refurbishment of our houses of initial formation. (state of the building, health and safety, physical systems, furniture)

2.3.3. Educational infrastructure of our houses of formation (books, computers, networks etc.)

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2.3.4.Scholarships for post-graduate students (with a high priority for those who belong to Collegio Maggiore and/or study at the Accademia Alfonsiana).²

2.3.5.Courses of spirituality, C.Ss.R. history, formation etc.

2.4. Pastoral projects that are in keeping with the themes of recent General Chapters, with the pastoral priorities of the (V)Province itself, and which the General Government regards as worthwhile.

2.4.1.A special priority in this area should be given to international and inter-provincial projects.

2.4.2.New missionary projects, especially in areas where the Redemptorist presence has been quite recently established (e.g. ex-Soviet Union countries, ministries to migrants).

2.5. A high priority is not given to constructions except in specific cases where there is an urgent need (as happened in the Units of Eastern Europe after their liberation or see 2.3.2.).

² Individual students coming to Rome as part of the Collegio Maggiore who wish to apply for a Solidarity Grant must complete an application form specific to students and separate from the general application form.

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Appendix 16
Solidarity Application Form

SOLIDARITY FUND
Request Form

Unit Name: Unit Code:.....
Currency Used in this Form.....

DESCRIPTION OF THE PROJECT:

TOTAL COST OF THE PROJECT:

Explain the main costs: *Amount:*

_____
_____
_____

SOURCES OF FINANCE FOR THE PROJECT

1. From within the C.Ss.R. Unit

From the (V)Provincial Government

From the local C.Ss.R. Community

From Aid Organisations in your country:

1. _____

2. _____

2. From outside the C.Ss.R. Unit:

From other Units of the Congregation:

1. _____

2. _____

From International Aid Organisations:

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1 _____
2 _____

Total Projected finance available (1+2):

AMOUNT REQUESTED FROM GENERAL GOVERNMENT:
.....

If the unit has received funds in the current year the Accountability Form must be completed and submitted to the Finance Office before this form will be accepted

Unit Treasurer

Unit Superior

If a Vice-Province or Region to be approved by:

Provincial Superior

Provincial Treasurer

_____ *Seal of the Province*
Date (*dd.mm.yyyy*)

(This Form is available online in the Supplement to this Manual.)

Appendix 17
Solidarity Application Form - Student

SOLIDARITY FUND – Collegio Maggiore
Request Form

*The maximum grant available from the General Solidarity Fund is €10,500.00 for board & lodging only. All other expense such as University fees, personal expenses, travel, retreats, etc. must be covered by the Unit.

Unit Name:Unit Code:
Year:Currency Used: EURO (€)

DESCRIPTION OF THE PROJECT:
Scholarship Collegio Maggiore (Roma)

Name:
.....

TOTAL COST OF THE PROJECT: €.....

Explain the main costs:	Amount:
1. Board & Lodging San Alphonsus House	€ 10.500.00
2. University fees	€.....
_____	€.....
3. Personal expenses & pocket money	€.....
_____	€.....
4. Retreats	€.....
_____	€.....
5. Other	€.....
_____	€.....

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SOURCES OF FINANCE FOR THE PROJECT

1. From within the C.Ss.R. Unit	
From the (V)Provincial Government
From the local C.Ss.R. Community
From Aid Organisations in your country:	
1. _____
2. From outside the C.Ss.R. Unit:	
From other Units of the Congregation:	
1. _____
From International Aid Organisations:	
1. _____
Total Projected finance available (1+2):

AMOUNT REQUESTED FROM GENERAL GOVERNMENT:
.....

Unit Treasurer Unit Superior
If a Vice-Province or Region to be approved by:

Provincial Superior

Provincial Treasurer

Seal of the Province

Date (dd.mm.yyyy)

(This Form is available online in the Supplement to this Manual.)

*Appendix 18
Solidarity Accountability Form*

**SOLIDARITY FUND
ACCOUNTABILITY FORM**

Unit Name:
Unit Code:

DESCRIPTION OF PROJECT (as stated in original application):

Were funds spent as projected _____

If not, how were funds spent?

Main costs of the project

Amount:

_____
_____
_____

This form must be completed and submitted to the General Council before any new application for funds will be accepted

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Unit Treasurer

Unit Superior

If a Vice-Province or Region to be approved by:

Provincial Superior

Provincial Treasurer

Date (dd.mm.yyyy)

Seal of the Province

(This Form is available online in the Supplement to this Manual.)

Appendix 19

Directory of Superiors in Relation to Finances

CHAPTER I - Competencies of the General Government

Art. D: The Deliberative Vote of the General Council

The Superior General with the consent of his council has the power:

Regarding Temporal Goods:

D36. Of approving the budgets and financial report: of the General Government prepared by the general treasurer, both for the year and for the sexennium; of Casa Sant'Alfonso in Rome; and of the Alphonsian Academy (+St. 0191-a; cf. St. 0130).

D37. Of approving the annual financial report of (vice-)provinces (cf. SS. 0163 and 0174; DS 403. 1, DS 903.2).

D38. Of effecting alienations and of contracting debts up to the highest amount defined for a given region by the Holy See (+ CIC cc. 638 §3 and 1292 §1 or CCEO cc. 1036 § 1, 3° and 1038; cf. DS 906, DS 907).

D39. Of incurring expenses which exceed the maximum sum indicated in DS C05 (cf. DS 904.2).

D40. Of requesting from the Apostolic See permission to effect alienations which exceed the highest amount defined for a given region by the Holy See (CIC cc. 638 §3 and 1292 §2 or CCEO cc. 1036 §4 and 1038; cf. CIC c. 292 §§3-4 and CCEO c. 1038, DS 906. 2 B).

D41. Of approving the highest limits within which superiors may spend money, undertake alienations, or contract debts (+ St. 0193-a; cf. DS 904. 2 A, DS 906. 2 A).

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D42. Of permitting (vice-)provinces to incur expenses, contract debts and effect alienations which exceed their faculties (approaching the Holy See if the case requires it) (+CIC c. 638 or CCEO c. 1036; cf. DS 904. 2 C, DS 906. 2 B and C).

D43. Of distributing aid from the "Central Reserve for Help in Cases of More Urgent Need" (Solidarity Fund) (+Comm. 6 (bis) CG 177/86; cf. DS H05, DS Q14).

D44. Of permitting members to renounce patrimonial goods they possess or may acquire in the future (+C. 70; +CIC c. 668 §4 or CCEO c. 534, 2°; cf. CG 368/86; DS M16).

Art. E: The General Council as a College:
The General Council acting collegially can:

Regarding Temporal Goods:

E29. Determine the limits for incurring expenses mentioned in DS B02, DS C05 and DS D39 (cf. DS 904.2).

E30. Determine the contributions to be made to the General Government by the (vice-)provinces according to the norm of St. 0191-b-1°.

CHAPTER II - Competencies of the Provincial Government

These competencies, either by reason of law or from the nature of the case, belong only to Provincial Superiors and their councils, and not to Vice-provincial Superiors (cf. C. 133).

Art. H: The Deliberative Vote of the Extraordinary Provincial Council

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H04. To approve the budget and financial report of a vice-province (+ St. 0195, cf. St. 0174-b; DS 403. 1 D, DS 903.2).

H05. To approve a request from his own vice-province for assistance from the "Central Reserve for Help in Cases of More Urgent Need" (Solidarity Fund), before it is submitted to the General Government for approval (Comm. 6 (bis) CG 177/86; cf. DS D43, DS Q14)

CHAPTER III - Competencies of Provincial and Vice-provincial Governments

Art. K: Competencies of the (Vice-)provincial Superior
The (Vice-)provincial Superior, even without consulting his consultors, has the power:

Regarding Temporal Goods:

K17. Of giving members permission to change their will (+ CIC c. 668 §2 or CCEO c.530).

K18. Of permitting members to dispose of the fruit of their goods for a determined pious work in favour of a third party (UT 5; cf. DS A01).

Art. L: The Consultative Vote of the Ordinary (Vice-) provincial Consultors

The (Vice-)provincial Superior must hear his ordinary consultors:

Regarding Temporal Goods:

L12. To incur expenses within the limits laid down in (vice-) provincial law (St. 0193; CIC c. 638 §1 or CCEO cc. 423 and 1024 §§1-2; cf. DS 904).

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Regarding the General Government:

L13. To draw up the annual report to be sent to Rome as indicated in St. 0163 (cf. DS 402).

Art. M: The Deliberative Vote of the Ordinary
(Vice-)provincial Council

The (Vice-)provincial Superior, with the consent of his ordinary (vice-)provincial council, has the power:

Regarding Temporal Goods:

M16. As a delegate of the Superior General, of permitting members to renounce patrimonial goods they possess or may acquire in the future (+ C. 70; +CIC c. 668 §4 or CCEO c. 534, 2°; CG 368/86; cf. DS D44).

M17. Of permitting the alienation of manuscripts and of other works, or the renunciation of the right to publish them.

M18. Of incurring expenses and effecting alienations or of permitting the same, up to the sum permitted with the consent of the OPC, as determined by the (vice-)province's own law (+St. 0193; +CIC c. 638 §1 and §3 or CCEO cc. 423 and 1024 §§1-2; cf. DS 906.2).

M19. Of permitting the acceptance or refusal of donations either offered to a member, not for himself but for the community-ty, or offered to him as a member of the Congregation (cf. DS 909).

M20. Of permitting the taking on of the obligations regarding temporal goods mentioned in St. 0200 (cf. CIC cc. 1299 – 1310 or CCEO cc. 1043-1054).

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Art. P: The Deliberative Vote of the Extraordinary (Vice-)provincial Council

The (Vice-)provincial Superior needs the consent of his extraordinary (vice-)provincial council:

Regarding Temporal Goods:

P17. To approve the budget and financial report of the (vice-)province and of the communities (+St. 0195; cf. SS. 0173 and 0174-a; DS 403.1, DS 903.2).

P18. To ask the treasurer for special reports (+St. 0174-a; cf. DS 903.2).

P19. To intervene in the administration of the goods of a community according to the norm of St. 0190 (cf. CIC c. 1279 §1 or CCEO c. 1023; DS A03, DS 902. 5).

P20. To incur expenses and effect alienations, as well as give permission for the same as permitted with the consent of the EPC, up to the sum determined by the (vice-)province's own law (St. 0193; CIC c. 638 §1 and §3 or CCEO cc. 423 and 1024 §§1-2; cf. DS 906 and DS 908).

Art. Q: The Extraordinary (Vice-)provincial Council as a College

The extraordinary (vice-)provincial council acting collegially can:

Regarding Temporal Goods:

Q13. Impose extraordinary contributions on the communities (St. 0196).

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Q14. Approve the submission of a request to the General Government for assistance from the "Central Reserve for Help in Cases of More Urgent Need" (Solidarity Fund) (Comm. 6 (bis) CG 177/86; cf. DS D43, DS H05)

CHAPTER IV - Competencies of all Superiors

Regarding Temporal Goods:

R11. To oversee the administration of the goods mentioned in St. 0207 (CIC c. 1279 or CCEO c. 1022 §§ 1-2).

R12. To accept onerous obligations according to the norm of St. 0200 with the consent of his consultors (and of the (vice-) provincial council).

R13. To effect alienations by written document with the consent of his consultors according to the norms of CIC c. 638 or CCEO cc. 423 and 1024 §§1-2 with St. 0193 (cf. DS 906).

PART II - COMMENTARY ON PARTICULAR MATTERS
OF LAW

Chapter II. Business with the General Government

Section 400: REPORTS TO BE SENT TO THE GENERAL
GOVERNMENT

403. Annual Reports

403.1 Financial and Audit Report:

A. These reports on the financial state of the (vice-) province and its communities are to follow the form determined by the General Secretariat for Finance and approved by the General

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Government found in the Manual for Administration and Financial Affairs.

B. They are to be sent within six months of the close of the (vice-)province's fiscal year.

C. They require the approval of the (Vice-)provincial Superior with the consent of his extraordinary (vice-) provincial council (DS PI7). It is to be signed by the (Vice-) provincial Superior, the (vice-)provincial secretary in the name of the council, and the (vice-)provincial treasurer (St. 0174-b).

D. The financial and audit reports of a vice-province also require the approval of the Provincial Superior with the consent of his extraordinary provincial council before being forwarded to the General Government (St. 0174-b; DS H04). The approval must be signed by the Provincial Superior and the provincial secretary in the name of the council (St. 0174-b).

Therefore, two official copies should be sent by the vice-province to the province, one for its records and one to be forwarded by the province to the General Government with its approval.

Chapter IV. Foundations and Temporal Goods

Section 900: TEMPORAL GOODS

901. Administration of Temporal Goods

901.1 Meaning:

Administration covers all acts which flow from a legal right over any material goods that belong to a public juridical person (CIC c. 1279 [cf. CCEO c. 1023]).

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901.2 Types:

A. Ordinary administration covers those acts which are necessary or useful to conserve or increase these goods, as well as to receive, invest or allocate their regular returns and revenues (e.g. the regular purchases for the life of the community; distribution of interest from investments according to the province's budget, etc.).

B. Extraordinary administration covers those acts which exceed ordinary administration, such as making substantial changes in the goods, beginning new construction exceeding the limits of permitted expenditure, entering a lawsuit, etc. (CIC c. 1281 [CCEO c. 1024 §2]).

C. Alienation of Stable Patrimonial Goods

D. Transactions which can worsen the Patrimonial condition of the entity.

E. Leasing Stable Patrimony

901.3 Norms for Extraordinary Administration:

The distinction between acts of ordinary and acts of extraordinary administration may be based on a number of different factors, for example, acceptance of onerous gifts or bequests, buying new properties, major alterations of buildings, etc. Or, it may be based on a monetary amount which is below that set for application of the norms on alienation. So that doubt may be eliminated as to what constitutes an act of extraordinary administration, it belongs to the (vice-)province to determine what constitutes these transactions.

A. It is for the (vice-)provincial chapter to determine what acts are to be considered extraordinary administration and any

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conditions which must obtain for the validity of these acts (St. 0193-c, + CIC c. 638 §1).

B. Subject to the provisions of (vice-)provincial norms mentioned in A., an administrator acts invalidly if he performs an act on his own which goes beyond the limits and procedures of ordinary administration with-out the written permission of the (Vice-)provincial Superior (CIC cc. 638 §§1-3, 1281 §1 [CCEO c. 1024 §2]).

902. Administrators

902.1 In general:

Anyone who has responsibility by reason of office or delegation for the administration of temporal goods is referred to as an administrator (cf. CIC cc. 638, 1282 [CCEO c. 1024]).

902.2 Superiors:

The Superior General, (Vice-)provincial Superiors, regional superiors and the superiors of communities, each with the involvement of their respective councils, are responsible according to the norm of law for the administration of the temporal goods of the Congregation which are under their jurisdiction. (CIC c. 1279 §1; [CCEO c. 1023]).

902.3 Treasurers:

According to CIC c. 636 [CCEO c. 516] each unit of the Congregation which is governed by a major superior (General Government, provinces, vice-provinces) must have a finance officer (i.e. treasurer) distinct from the major superior who is to manage the administration of the temporal goods under the direction of the respective superior. (St. 0190)

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Note that he is to administer these goods "under the direction of the respective superior" (St. 0190). Thus, while the superior directs, supervises and can perform administrative acts, it is the treasurer who performs the ordinary administration of the goods (cf. CIC c. 638 §2).

CIC Canon 636, §1 also requires that "to the extent possible", this also be the norm in the local communities.

Our own law (St. 0112) echoes the requirement that the treasurer be distinct from the superior, adding that the treasurer is to be properly trained. It also notes that he may not dispose of goods on his own authority.

CIC Canons 1281 - 1284 [CCEO cc. 1024-1026, 1028] outline the responsibilities of the financial administrator, and the limits of his authority. He is to have a finance council, or at least two advisors (CIC c. 1280); in our law this function is usually fulfilled by a secretariat for finance (SS. 0114, 0131, 0173, 0174-a, 0189).

SUMMARY: At the (vice-)provincial level, the treasurer must be distinct from the major superior and his vicar. This principle, as far as possible, should be extended to the level of the local community.

Note: the title of this officer in the Latin text of the Code and of our CC. is "oekonomus"; in English translations he is called "finance officer" (in the Code) or "treasurer" (in our CC. and SS.). According to the usage in different lo-cations, however, formerly he was often referred to as "bursar", "econome", "minister", or "procurator".

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Please note that the procurator general, however, is a different officer with responsibilities different from the treasurer general (cf. C. 120; SS. 0128, 0130).

902.4 Treasurer General:

Cf. SS. 0130, 0191-b.

902.5 Intervention by a Higher Superior:

Major superiors have the right to intervene, that is, make decisions about the administration of material goods which are under the authority of superiors subject to them, if there is negligence or the common good demands it (CIC c. 1279 §1; [CCEO c.1023]; DS P19; SS. 0100, 0190). The (Vice-) provincial Superior needs the consent of his ordinary council to assume (take over) the administration of the goods of a community (DS M03). He needs the consent of his extraordinary council in order to intervene in the administration of the goods of a community according to the norm of St. 0190 (DS P.19).

903. Budgets and Reports

903.1 General Finances:

Cf. St. 0130; DS D36.

903.2 (Vice-)provincial Finances:

At least once a year, the (vice-)provincial treasurer is to present for approval to the (Vice-)provincial Superior and his extraordinary council a budget and financial statement for the (vice-)province as a whole and for each community (SS. 0173, 0174-a). He prepares the financial report to be submitted to the General Government (St. 0174-b). As required by Decision 48 of the 25th General Chapter of 2016, the treasurer will ensure that an independent internal audit will be conducted each year. (cf. Manual for Administration and Financial Affairs) He may also be requested to give additional reports (St. 0174-a).

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The (vice-)provincial chapter has the right to examine and approve the reports on the financial administration of the (vice-)province (St. 0140-e; cf. SS. 0113, 0192, 0197).

The (Vice-)provincial Superior, with the consent of his extraordinary council, has the right to approve the budget and financial statements of the (vice-)province and its communities (DS PI7).

The Provincial Superior, with the consent of his extraordinary council, has the right to inspect and approve the annual budget of the vice-provinces under his authority, and to approve their financial reports before they are submitted to the General Government (SS. 0195, 0174-b; DS H04).

The form for the annual financial report of the (vice-)provinces to the General Government is found in the Manual for Administration and Financial Affairs.

903.3 Local Community Finances:

The treasurer of the local community will prepare the budget and financial statement of the community. These are to be approved and submitted to the (Vice-)provincial Superior in accord with the determinations of the (vice-) provincial statutes (St. 0197; cf. St. 0113).

904.Expenditures

904.1 Types:

Expenditures are:

A. ordinary, when they fall under ordinary administration; these consist in the expenses that are foreseen to regularly occur in the life of a community or of the members which do not

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require the permission of a higher authority: e.g. monthly for food, maintenance of buildings, etc.

B. extraordinary, when they fall under extraordinary administration; these consist of unusual expenditures which require the permission of a higher authority (e.g. renovating a part of a building) or involve a considerable amount of money (e.g. buying property).

904.2 Determination:

The General Council acting collegially determines the limits within which the Superior General can make expenditures (DS E29).

The (vice-)provincial chapter is to determine the limits within which different superiors, with or without their various councils, can incur expenses (St. 0193-a). Note, however:

A. The limits set for maximum expenses by the various superiors with their councils must be approved by the Superior General with the consent of his council (DS D41).

B. The chapter can decree that these limits are to be set by the (vice-)province's extraordinary council (with the requisite approval of the General Government).

C. If the incurring of expenses "worsens the patrimonial situation" of the house or (vice-) province, the provisions for alienation are followed (cf. DS 906 below).

D. Ordinary expenses (e.g. those contained in the annual budget of a (vice-)province or community) should be carefully distinguished from extraordinary expenses when limits are set, so as not to hamper the smooth operation of the institution.

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E. Incurring expenses always requires the act of a superior, even if he must seek the advice or consent of his council; they cannot be incurred by a council acting without the superior (St. 0193; CIC c. 638 §3).

905. Investments

Money is invested when it is changed into some other goods which will preserve its value or which bring re-turns, e.g. property, stocks and bonds, etc.

The (vice-)provincial chapter and councils can lay down norms regarding investments (St. 0194).

906. Alienation of Goods and risky transactions

A. Alienation is a technical canonical term which means any transaction in which the ownership of a good or goods is transferred to another. Normally this is done through either a sale or gift.

B. There are other transactions which, although they are not technically alienations, are treated as though they were alienations and the same laws apply to them as well. These are transactions which may worsen the patrimonial condition of the juridical person. In other words, they pose a risk to the stable patrimony of the entity. Examples of these are loans with the property as collateral, leasing the property, mortgages, etc. These transactions are commonly referred to as “1295 Transactions” because CIC c. 1295 [CCEO c.1042] applies the norms of true alienations to these ‘risky’ transactions.

There are specific laws which govern alienation of goods in the Church and “1295 transactions”:

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1. Proper laws determined by the (vice-)provincial chapter and approved by the Superior General with the consent of his council, which set limits on the amount that various superiors may alienate with the consent of their respective councils.

2. Universal laws set by the Holy See that determine the amount over which any alienation needs the approval of the Holy See in order to be affected and establish requirements for obtaining this approval. (CIC c. 1292, §2 [CCEO c. 1036 §4])

906.1 What is the Stable Patrimony of a Juridical Person?

Stable patrimony includes all property, real or personal, movable or immovable, tangible or intangible by legitimate designation, which is destined to remain in the possession of its owner for a long or indefinite time to afford financial security for the future.

Liquid assets like cash, although usually considered free capital, may, by explicit designation, be restricted for a specific purpose such as formation or a building fund. These could become part of the stable patrimony. The competent authority can reserve the right to ‘un-restrict’ the funds at any time in the future. This must be done explicitly.

906.2 Norms:

In general, the norms of CIC cc. 1291-1298 [CCEO cc. 1035, 1036, 1038, 1040, 1042] apply to alienations made by the Congregation and its units.

A. The (vice-)provincial chapter is to determine the limits within which alienations can be affected by the (vice-) provincial or local superiors, with the consent of their respective councils (St. 0193-a; +CIC c. 638 §3; cf. DS M18, DS P20). This

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determination must be approved by the Superior General with the con-sent of his council (+ St. 0192, DS D41).

B. The maximum amount for alienations within various regions beyond which recourse to the Holy See is re-quired is established by the Holy See. Before the re-quest for these alienations is presented to the Holy See, the approval of the Superior General with the consent of his council is required (DS D40 and DS D42). See E below; the current list of maximum amounts set by the Holy See, will be published regularly in OFFICIALIA.

C. Goods of Artistic or Historical Value and Votive Offerings: Goods which have a special value due to their artistic quality or to their history require special permission of the Holy See, regardless of their cash value. The same is true for votive offerings (i.e. do-nations made in consequence of a vow) (CIC c. 1292 §2 [CCEO c.1036 §4]). The petition for this alienation requires the approval of the Superior General with the consent of his council (DS D42).

D. Relics and Images: Relics may never be sold (CIC c. 1190 §1 [CCEO c. 888]). The same requirements mentioned in C. above, apply to the alienation of relics or images which are subject to great popular veneration. (CIC c. 1190 §2 and §3 [CCEO c. 887]).

E. Required documents for ALIENATIONS FOR LATIN RIGHT JURISDICTIONS to be sent to the Superior General for goods valued over the limit set by proper law or by the Holy See:

1. A letter from the major superior to the Superior General asking for permission to alienate the temporal good. The letter

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should indicate his approval and that of the competent body (ordinary or extraordinary council), the serious reason for the alienation, location of the property, sale price and the terms of the sale and what is to be done with the revenue.

2. A document attesting the approval of the unit's council and/or chapter. This can be a copy of the pertinent section of the Acta of the meeting where it was voted on to approve the sale. This extract of the Acta should be dated, signed and sealed by the secretary of the unit. There should be a statement from the notary (unit secretary) attesting that it is a true and accurate extract of the minutes of the meeting of the [name of pertinent body] held on [give the date].

3. A letter from the bishop with his votum regarding the sale. The superior must inform the bishop of the diocese where the property is located of the appropriate details of the sale and ask the bishop for a letter stating his 'votum' (opinion) regarding the alienation.

4. At least one professional estimate of the value of the property. This must be by an 'expert' in the field, such as an architect, a real estate agent, etc. Although it is not required, the CICALSAL prefers if there is a statement given that the 'expert' under oath swears that the estimate given is true and correct.

F. Instructions and required documents for ALIENATION FOR ORIENTAL RIGHT JURISDICTIONS

1. A letter from the major superior addressed to the relevant Apostolic Nuncio indicating a desire to alienate the property and seeking permission to effect the sale. This letter **MUST** include:

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a. A detailed full description of the property such as size, area, location, a description of any structures on the property, etc.

b. The sale price of the property, terms of the sale and what is to be done with the revenue.

c. The reasons and motivations for the sale of the property.

d. A CLEAR statement of who is to purchase the property.

2. The letter in #1 must be sent to the Superior General BEFORE it is submitted to the Apostolic Nuncio.

3. A letter to the Superior General asking for the necessary permissions for the sale. This should be sent together with the letter in #1 to the Superior General. When, and if, the Superior General gives his permission a rescript granting permission for the sale will be issued.

4. The letter of petition to the Superior General and his response, and the rescript if permission was given, are then submitted to the Apostolic Nuncio with the letter of petition mentioned in #1.

5. The Apostolic Nuncio will consider the petition, issue his opinion on the matter and forward the case to the Congregation for Oriental Churches. The appropriate authorities of the Vatican Congregation will consider all the facts and respond to the Apostolic Nuncio who will then advise you of the outcome.

907. Debts or Loans

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907.1 Meaning:

A debt is incurred when money is received from another with the obligation of it being repaid, usually with interest.

A loan is a sum of money given to another under the condition of it being repaid, possibly with interest.

907.2 Norms:

A. A debt should not be incurred unless it is certain that its interest can be paid from ordinary income, and that the capital can be paid back through legitimate amortization within a reasonable period of time (CIC c. 639 §5, [CCEO cc. 529 §5 + 468 §2]).

B. If the patrimonial goods of the Congregation are involved (e.g. as collateral, or are in some other way obligated), these are considered to be ‘risky’ transactions and so the prescriptions on alienations apply (cf. DS 906.2 A and B).

C. (Vice-)provincial chapters should set the maximum limits up to which superiors with their councils can incur debts or make loans; these limits must be approved by the General Government; councils acting collegially may not incur debts (St. 0193-a)

907.3 Required documents for obtaining permission to incur debts or make loans which exceed the limits legitimately set for superiors.

The petition must include:

a. A letter from the competent superior requesting permission to incur the debt and explaining the circumstances which are bringing about the necessity for the debt.

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b. A statement of the agreement of the competent major superior and his council and the opinion of the unit treasurer.

c. The total amount of the debt to be incurred.

d. From whom the money will be borrowed.

e. The annual interest rate to be paid.

f. The time during which the debt is to be repaid.

g. Any other onerous conditions involved (e.g. collateral, second signatures, etc.)

h. How the money to repay the debt will be obtained, and the level of certainty that it can be repaid within the time allowed.

Finally, include a list of all other debts which the juridical person now owes, with the same information as above about each.

908 Leases

908.1 Meaning: a contract by which one conveys real estate, equipment, or facilities for a specified term and for a specified rent.

908.2 Norms: Leases, because they are considered to be transactions that may worsen the patrimonial condition of the entity, follow the same norms as those for alienations.

908.3 Vatican permission is required if the value of the property or goods being leased exceeds the maximum value al-

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lowed by the Holy See AND the lease is for longer than 9 years. Both these conditions must exist in order for the permission of the Holy See to be required.

908.4 General Government permission is required if the financial limit exceeds the approved financial limit set by our proper law.

908.5 Required documents to be sent to the Superior General to request permission to enter into a lease agreement:

1. Letter from the major superior to the Superior General stating the:

- a. Reasons for making the lease
- b. Length of the lease
- c. Value of the land, location, size, etc.
- d. Request for permission to enter into the lease agreement.

2. A detailed summary of the lease agreement (or a copy of the lease agreement itself).

3. A statement by the major superior that this has the consent of his council or the chapter. (An extract of the meeting/session [OPC or chapter] where the is-sue was voted on and approved is very helpful. This extract should be signed by the secretary of the province and should indicate the date the meeting / session was held).

4. At least one professional estimate of the value of the property. This must be by an ‘expert’ in the field, such as an architect, a real estate agent, etc. Although it is not required, the Congregation for Institutes of Consecrated Life

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and Apostolic Life prefers if there is a statement given that the 'expert' swears under oath that the estimate given is true and correct.

909. Donations or Gifts

Religious institutes are urged by the Latin Code to "con-tribute what they can of their own goods for the needs of the Church and the sustenance of the poor" (CIC c. 640; cf. St. 0198).

When the donation is made from patrimonial goods, the same norms apply as for any alienation (cf. DS 906.4 A and B).

Donations from what are not patrimonial goods may be made by administrators within the limits of ordinary administration (CIC c. 1285 [CCEO c. 1029]; cf. St. 0198).

A member of the Congregation may not on his own refuse a donation which is offered to him, not for himself personally, but for the Congregation; nor may he refuse a donation which is offered to him in so far as he is a member of the Congregation. To do so, he must receive permission from the (Vice-) provincial Superior with the consent of his ordinary council (DS M19). Of course, this refers to offerings of a value which merit the time and in-convenience of seeking the permission.

910. Contracts

The responsibility for contracts made by members and in the name of juridic persons is outlined in CIC c. 639 §§1 – 4 [CCEO c. 529 §5]:

1. If a juridic person has contracted debts and obligations even with the permission of the superiors, it is bound to answer for them.

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2. If a member has entered into a contract concerning his or her own goods with the permission of the superior, the member must answer for it, but if the business of the institute was conducted by mandate of the superior, the institute must answer.

3. If a religious has entered into a contract without any permission of superiors, he or she must answer, but not the juridic per-son.

4. It is a fixed rule, however, that an action can always be brought against one who has profited from the contract entered into.

911. Lawsuits

Civil lawsuits may not be initiated without the written permission of the person's ordinary, i.e. vice-provincial, provincial or general superior. cf. CIC c. 1288 [CCEO c.1032].

912.Extraordinary Expenses

912.1 Meaning:

Extraordinary expenses are those that are executed as Extraordinary Acts of Administration. CIC canons 1281, 638 §1 [CCEO c. 1024] and St 0193 man-date that each juridic person (unit) should establish the monetary limit beyond which a financial transaction will be considered an Extraordinary Act of Administration. These limits are approved by the General Government. Any expense which exceeds the approved limit requires permission from the General Government as an Extraordinary Expenditure. If the expense is being financed by encumbering any stable patrimony, and the value of the property encumbered exceeds the maximum established by the Holy See, then the permission from the Ho-ly See is also required.

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912.2 Required documents to be sent to the Superior General to request permission to transact an Extraordinary Expense:

- a. A letter from the competent superior requesting permission to incur the debt and explaining the circumstances which are bringing about the necessity for the debt.
- b. A statement of the agreement of the competent major superior and his council and the opinion of the unit treasurer.
- c. The total of the expenses to be incurred.
- d. The purpose for which the expenses are being made.
- e. The source(s) from which these expenses will be paid.
- f. The period of time over which the expenses will be incurred.
- g. The level of certainty that the expenses can be met from the source(s) indicated.

913. Recourse to a Higher Superior

Recourse to a higher superior against the decision of a superior or against the majority vote of a council has a suspensive effect if it pertains to incurring debts or effecting an alienation (cf. C. 101).

Appendix 20

Checklist for Human Resources Policy

Topics to be included in a human resources policy and related employee handbook

- Employment Status/ Contract Type
- Organisational Background
- Anti-Discrimination & Anti-Harassment Policies
- Nepotism and Personal Relationships Policy
- New Employee Orientation
- Exempt and Non-exempt Employees
- Disciplinary Procedures
- Use of Organisation Equipment and Internet
- Confidentiality Statement
- Code of Ethics / Conflict of Interest and Whistle-blower Policy
- Work Schedules and Hours of Operation
- Overtime Policy and Weekend Pay
- Time Keeping Procedures
- Pay Period, Payroll and Payroll Deductions
- Evaluations
- Severance Policy
- Employee Benefits
 - Annual Leave
 - Sick Leave
 - Maternity Leave
 - Family Responsibility Leave
 - Medical Insurance
 - Retirement Benefits
- Dress Code
- Professional Development
- Reimbursement of Travel Expenditures
- Safety in the Workplace / Drug- & Smoke-Free Workplace

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Appendix 21 Separation of Financial Duties Worksheet

	Position or Individual					
<i>Initials of Individuals -></i>						
Cash Management						
• Receives Cash (e.g., opens mail)						
• Prepares & Posts Receipts &						
• Banks the Deposits						
• Reconciles Bank Statements						
• Custodian & Replenisher of						
• Audits Petty Cash						
• Maintains General Ledger						
Disbursements and Purchase						
• Approves Purchase Orders						
• Verifies Receipts of						
• Prepares Requests for Funds						
• Authorises Disbursements &						
• Compares Payment with						
• Maintains General Ledger						
• Computes Cost Allocation of						
Pavroll						
• Records Time on Timesheets						
• Approves & Maintains						
Financial Reporting						

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• Prepares Financial Reports						
• Approves Financial Reports						

Date Prepared

Person Preparing Document: Provincial Treasurer

Appendix 22

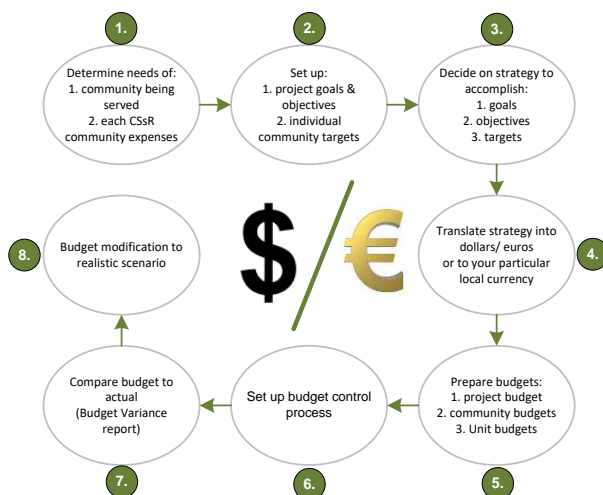
Budget Preparation Worksheet

The budget is a road map or plan for the Province and can provide direction to meet its goals and objectives. The key to appropriate budget preparation is to follow a timeline that will allow plenty of time to consult, draft and review the budget with all confreres, communities and Council members.

This section of the manual outlines twelve (12) helpful notes including an explanation of technical terms used by donors/ towards effective budgeting.

1. Budget Steps

Examples of the steps to effective budget preparation are shown in the diagram below. The timing of the annual budget meeting needs to be taken into consideration to ensure that the process is completed in its entirety and remains participative and transparent throughout.



2. Effective Budget Preparation

The following steps should be taken:

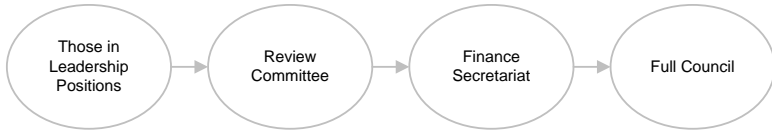


1. The first step to creating a budget is to understand that the budget is a road map or plan to guide the operations for the budget period.
2. Budgeting is a continual process and needs to be reviewed and amended as the Province and situations change.
3. Because it is a continual process, monitoring of the budget is critical to the success. The financial statements, as well as budget to actual comparison, should be reviewed on a regular basis.
4. The budget is one of many planning tools utilised by the Province. A critical element of the budgeting process is to develop a detailed budget narrative that will provide contextual information.
5. It is critical to incorporate individual contract, grant or project budgets into the overall Province budget, and any restrictions.

3. Timeline for Budget Preparation

The timeline for budget preparation will vary for each Province based on size, complexity of activities, staff and leadership roles and levels of review. The following steps should be taken:

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1. Initial draft budget based on current year budget and distributed to all those in leadership for their input for the upcoming year.
2. Each person in leadership will recommend changes to be made to the draft budget. This will take into consideration changes in their community houses, current activities, community needs, and additional donor grants or projects that they may be aware of for the upcoming year.
3. A draft budget should be presented to the budget review committee which might be the financial Bursar and/ or the finance secretariat committee of the Council.
4. Eventually, the finance secretariat will recommend the budget to the full Council for their consideration. The Council approval of the final budget needs to be completed before the end of the fiscal year.

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Appendix 23 System Assessment Tool

Current State Summary Assessment & Sample Recommendations for Improvement in a C.Ss.R. Province

Key Control Areas	Meeting Requirements of Good Practice	Improvements Identified	Related Recommendation
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Accounts Preparation

To be expanded

Expenditure

Review and Approval			-
Processing and Systems			-
Maintenance and Records			-
Tender/Quotation Procedures			-
Supplier Set-up/Change			-
Payroll Expenditure			-
PO and Invoicing			
Payment and Cheque Controls			-
Bank Reconciliation Process			-
Stocktakes			
Personal expenditure			

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Key Control Areas	Meeting Requirements of Good Practice	Improvements Identified	Related Recommendations
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Cash and Bank

Opening/Closure of Bank Accounts			-
Bank Mandates			
Bank Signatory Requirements and Authority Limits			-
Banking Arrangements and Facilities			-
Overdraft Facilities			-
Loans to the Central Fund			-
Fund Transfers			-
Bank Reconciliation Process			
Security and Access Controls			-
Cheque Signing			
Cash and Cheque Handling			
Foreign Bank Accounts			
Credit Card Analysis			
Credit Card Policy			
Credit Card Records			

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Key Control Areas	Meeting Requirements of Good Practice	Improvements Identified	Related Recommendation
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Investment Management

Investment Decision Making			-
Investment Monitoring			-
Management Reporting			-
Investment Set-up			-
Investment Manager Terms and Conditions			

Detailed Findings & Recommendations

Following this review, the following recommendations are provided for your consideration:

1.	Purchase Order System
2.	Stocktakes
3.	Personal Expenditure
4.	Bank Mandates
5.	Bank Reconciliations
6.	Cheques Signing
7.	Cash and Cheque Handling
8.	Beneficial Ownership of Bank Accounts & Investments held in foreign currency amounts
9.	Credit Card Analysis
10.	Credit Card Policy
11.	Credit Card Records
12.	Investment Manager Agreements
13.	Terms and Conditions
14.	Effective Processes and Systems

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15.	Consolidated Financial Information
16.	Policies and Procedures
17.	Value Added Tax
18.	Designation of Reserves
19.	Tangible Assets
20.	Risk Management

Rec No.	Standard of Good Practice	Finding	Recommendation
1.	<p>Purchase Order System A formal purchase order system is an accepted component of a well-managed procurement process.</p>		Consideration should be given to the introduction of a formal, pre-numbered, two-part PO system in the interests of tracking all intended expenditures and to facilitate budgetary control.
2.	<p>Stocktakes Periodic stocktakes are carried out in order to identify any stock discrepancies and to improve control.</p>		Regular or annual stocktakes should be performed and the results reconciled against current records. Any differences should be investigated.
3.	<p>Personal Expenditure Guidelines are established for travel and other personal expenditures.</p>		We recommend that consideration be given to the introduction of guidelines for necessary travel and personal expenditures.
4.	<p>Bank Mandates A central register is kept of all bank mandates in the interests of ensuring effective and demonstrable governance over</p>		We recommend that all Communities furnish a copy of their bank mandates to the Provincial treasurer to enable a clear understanding of all banking arrangements

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Rec No.	Standard of Good Practice	Finding	Recommendation
	banking arrangements.		by the Redemptorists.
5.	<p>Bank Reconciliations Bank reconciliations are reviewed and signed off by a person other than the preparer as evidence of that review. This is a recognised control feature over banking activities.</p>		All bank reconciliations are independently reviewed.
6.	<p>Cheques Signing Cheques are ideally signed at a pre-designated time, either on a weekly, fort-nightly or monthly basis, both for reasons of efficiency and management control.</p>		We recommend that a scheduled time should be set so as to allow the cheque signing process and cheque issuing to be handled efficiently.
7.	<p>Cash and Cheque Handling A formal record of all cash handled is maintained. A reconciliation of this receipts should be prepared on a daily basis by a person other than the person who took receipt of the cash.</p>		It is our recommendation that a formal Point-of-sale system be implemented into each of the Communities that operate shops. This would allow for formal record of all shop receipts and provide additional assurance that all cash receipts has been provided for. In relation to other cash receipts, the practicality of introducing receipts should be considered.
8.	<p>Beneficial Ownership of Bank Accounts &</p>		The status of the local bank accounts held in

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Rec No.	Standard of Good Practice	Finding	Recommendation
	<p>Investments held in foreign currency amounts Funds held in local bank accounts, in foreign currencies are compliant with relevant local legislative /tax requirements.</p>		<p>other foreign currencies should be clarified for the purposes of establishing that all necessary compliance has been achieved.</p>
9.	<p>Credit Card Analysis Credit card analysis forms are completed on a monthly basis in order to establish the transparency of the expenditure incurred and for reasons of accountability.</p>		<p>It is our recommendation that a formal Credit Card Analysis form be put in place which Confreres and Co-workers who operate a credit card should, on a monthly basis, complete for submission to the Local Bursar/Treasurer.</p>
10.	<p>Credit Card Policy Appropriate controls are exercised over credit card expenditure.</p>		<p>We recommend that the Province considers the adoption of corporate credit cards as the preferred policy. Phasing out arrangements should be considered for personal credit cards.</p>
11.	<p>Credit Card Records The Provincial treasurer retains a list of Redemptorist and Co-workers who possess credit cards.</p>		<p>Information is retained centrally of all credit cards in use in the interests of achieving a measure of improvement in relation to the control environment.</p>
12.	<p>Investment Manager</p>		<p>We recommend that the</p>

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Rec No.	Standard of Good Practice	Finding	Recommendation
	<p>Agreements Good practice requires that the contractual arrangements in operation between the Investment Managers and the Redemptorists are formally signed off and minute by the Finance Secretariat.</p>		Investment Managers present a formal written agreement to the Redemptorists outlining the terms and conditions of business under which they operate.
13.	<p>Terms and Conditions Standard terms and conditions exist for significant contractual arrangements.</p>		We recommend that the Redemptorists have standard terms and conditions intended for contractual obligations entered into with major suppliers.
14.	<p>Effective Processes and Systems Effective processes and systems, including the monitoring of policies and procedures require a sufficiently well-resourced staff administration function.</p>		As Redemptorists we should identify individuals with the appropriate skills-set to meet administrative requirements and complexities.
15.	<p>Consolidated Financial Information Consolidated Financial Information is presented to the Finance Secretariat in a timely manner to allow for effective monitoring and decision making of the Province's finances. Good practice requires that monthly financial</p>		In view of the scale of the Province's receipts and expenditures, a medium-term objective should be more up-to-date financial information and at, a minimum periodic financial information.

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Rec No.	Standard of Good Practice	Finding	Recommendation
	information and management accounts are prepared, reviewed and compared to budget. Failing that periodic financial information is prepared.		
16.	Policies and Procedures Policies and Procedures are regularly reviewed for the purposes of establishing whether they continue to be appropriate in the current environment.		The practical application of policies and procedures in the light of experience and emerging good practice should be reviewed at least on one occasion every two years.
17.	Value Added Tax Redemptorists are compliant with their Value Added Tax obligations arising from trading transactions.		We recommend that the Redemptorists take the steps that are necessary to clarify their obligations, if any, in relation to Value Added Tax arising on shop activities.
18.	Designation of Reserves Reserves are a healthy practice and designated as follows; Restricted, Unrestricted or Designated.		Consideration is given to revising the Reserves description, as a component part of a wider project, to present financial information in accordance with Recommended Practice
19.	Tangible Assets A comprehensive fixed asset register is		A comprehensive asset register is maintained. All of the Province's

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Rec No.	Standard of Good Practice	Finding	Recommendation
	maintained. Consolidated financial statements disclose all of the entity's assets falling within its beneficial ownership.		tangible assets are recorded in its financial statements to meet expectations of governance, transparency & accountability.
20.	Risk Management Risks are identified and managed in the interests of the mitigation of risk. A risk register is compiled indicating impact and likelihood thereof.		Consideration should be given to the formalising of risk management policies and process. This might include a risk management statement which outlines what the Province has undertaken in respect of; <ul style="list-style-type: none"> -Identifying and understanding the Province's risks. - What initiatives are embedded at Province level to oversee the most highly ranked risk exposures.

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***Appendix 24
Alienation of Property Worksheet***

1) Name of the juridical person that is the canonical owner of the goods to be alienated:

2) If the canonical owner is the (Vice)province, indicate to which fund the goods are assigned:

3) If the canonical owner is a House, indicate if the goods belong to the Community or to one of its apostolic institutions (indicate which one):

4) Legal Title in civil law:

5) Description of the goods to be alienated: property to be alienated, dimensions, city or place where it is located, address, it is helpful to include a plan or a map in more complicated cases. If it concerns things donated to the Church by virtue of a

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vow, or items precious by reason of their artistic or historical value, give a brief description and history:

6) How were the goods acquired? (purchase, donation, legacy, etc.):

7) If the goods to be alienated are divisible, specify what parts have already been alienated:

8) The methods of alienation:

9) The value of the goods, according to a written appraisal by experts: the originals or copies of these appraisals should be enclosed:

Appraisal of first expert: _____

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Appraisal of second expert: _____

10) The just reason for the alienation (urgent need, evident advantage, religious, charitable or other serious pastoral reasons:

11) The purpose for which the money realized from the alienation will be used (if it is not invested, indicate the work or purpose to which the income will go; if it is to be spent, indicated the work and purpose):

12) Opinions (positive or negative) to be given by the following (attach:)

If the canonical owner of the goods is a House:

- Superior of the House
- Consultors of the House
- Financial Administrator of the House

If it concerns goods belonging to an Apostolic Institution of the Congregation (College etc.) add the following to the above list:

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- Director of the Apostolic Institution and his consultors
- Financial Officer of the Apostolic Institution

If it concerns the goods assigned to a Fund:

- Provincial Treasurer

In all cases:

- Province Treasurer (in a separate letter)
- Consultors of the Province
- Provincial
- Letter informing the diocesan bishop and his reply

Place and date

Signature of the Provincial