

COMMISSION ON FINANCIAL AFFAIRS

Underlying Principles

The administration of our economy is governed by the principles rooted in our vow of evangelical poverty, animated by the love of God and neighbor (Intermediate General Chapter 1980), “calling nothing your own, but let everything be in common” (Rule 4), no longer seeking what is his own, but rather the common good, and preferring what is of advantage to the many before our own interests (Const. 64). Temporal goods are means to sustain us and to finance our apostolate effectively. They are means, through which we can exercise our virtues and build up fraternal communities in search for Christ, (Const. 491). Constantly aware of their social nature and dimension, care and diligence must be practiced in their pursuit and administration (1974 Intermediate General Chapter, 76); bearing in mind that the primary source of our temporal goods is the diligent work of our brothers and frugality in use and consumption, donations from benefactors and financial expertise (Const. 493).

Situational Analysis

In general, the Province’s economy is relatively stable. It has been able to sustain the financial demands of its operations. With the implementation of the monthly budget, it has resolved its biggest financial obligation, which is to subsidize the formation houses and local mission areas. The bulk of the Provincial Fund is also neatly allocated to the various needs of the Province, ensuring its normal and stable operation. However, when it comes to undertaking big projects, such as establishing a new school or parish and maintaining a mission area overseas, the fund is rather limited. Centralization of the Provincial economy is limited to regular contributions from earning communities and institutions, excess funds of earning communities, monthly quota, and tax masses. To undertake governance projects, the Province relies on special contributions from earning institutions, especially from the Basilica del Sto. Niño. Two areas, where spending has increased considerably and on which the Province should start to consider seriously are the support on formation houses and the health of friars. With the big number of candidates and the rise of the cost of living and studies, expenses are rising. Also, the members are growing older and concomitant with aging come health problems. The Province has its own Health Fund, coming from contributions of all priest-friars through tax masses, to shoulder expenses related to health. But this fund is depleting. One measure being undertaken by the Province to augment the Health Fund is the enrolment of friars in the Social Security System (SSS), Philhealth and Health Insurance.

Most communities are also financially stable and are able to sustain a decent standard of living. However, when it comes to spending options, the earning communities are obviously better off than the subsidized ones. All communities have their respective budget. However, in the absence of a strict budget control allows them to spend quite freely. In the case of earning communities, which have more spending options, this means more freedom. As one source of the central fund is excess funds of the communities, naturally the Provincial coffer is affected. As a mechanism to institute systematic budget allocation and spending, the Manual of Economic Administration is to

be strictly implemented. For the vital interest of the Province as a whole and to attain fiscal sustainability, friars must have technical know-how in managing their respective community finances. With the global financial meltdown in the backdrop, in due time the local economy will experience spill over engendering fallout. The Augustinian communities are not spared from this fallout and should face this challenge with a strategic financial plan. Likewise, it is important to put into place the strong fundamental principles underlying the Augustinian financial affairs.

Action Plan/ Proposals Approved by the Chapter

c.1. For the Province to assist financially for the construction of an Augustinian residence in Centro Sant' Agostino in Don Salvador Benedicto, Negros Occidental (Decree).

c.2. The Prior Provincial and his Council should study with the Educational Apostolate, Ongoing Formation and Financial Affairs Commission, and when possible, implement a plan that will take into consideration (Decree):

- a. The need to relocate the present Novitiate and Prayer House;
- b. The improvements needed in the present site of the Colegio del Sto. Nino;
- c. Whether the rental properties of the adjacent properties should be re- allocated for the use of the Colegio del Sto. Nino;
- d. Study the possible future site for expansion and/or transfer of CSN;
- e. What use would the current location of CSN be;
- f. The need for a house for the elderly and sick of the Province.

These will be presented for review and approval at the Intermediate Provincial Chapter.

c.3. To create a permanent Fund immediately with a seed money of P10 million, and to be augmented later from other sources and allocation from tax masses (Decree).

c.4. To create immediately Accounts sweep in the Province to help the Province collect funds systematically from all earning communities and other sources (Decree).

c.5. To establish the Provincial Profit Corporation that will handle all legal profit-undertaking of the Province (Decree).

c.6. That each Commission must set a specific program of action regarding the approved decrees, suggestions, recommendations, and must establish definite objectives and approaches on how to realize and monitor them (Decree).

c.7. To let the Provincial Treasurer review the draft of the Revised Manual of Economic Administrations for its improvement and inclusion of other suggestions and observations,

although in principle it was already approved by the 8th Ordinary Provincial Chapter delegates (Decree).

Proposal Referred to the Council

d.1. To abolish the account in the Province, the “Fund for the Retreat House Project”, and transfer and integrate it to the General Fund; and to create a new account “Project of the Province” where it will become the source of funding for smaller projects of the Province and the communities. It is proposed that the beginning capitalization for it is P3 million to be taken from the BSN Store and subsequently the said fund be increased continuously through tax masses.

d.2. To review and fine tune financial budgeting in communities and the Province.

d.3. To construct structures in our selected properties that would generate additional income for the Province.

d.4. Develop a well-defined financial system; continuation of seminars for Treasurers and Procurators, and inviting House Priors to participate and acquire updated knowledge in financial management; annual auditing of communities; and sanction friars due to financial abuses.

d.5. To professionalize the auxiliary services in the Province like candle house, printing press, travel agency, school uniform making, school canteen management (including centralization of management of canteens, insurance, etc.) under the office of the Provincial Treasurer.