

The Augustinians
Province of Our Mother of Good Counsel

Stewardship & Financial Handbook

Volume IV

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Do Not Call Anything Your Own,

But Hold All That You Have in Common

*. . .(give) Not to all Alike. . .
But to Each One According to His Need*

Rule 1, 3.

Our Common Responsibilities

Working together as brothers to support ourselves and each other in our common lives and in our apostolic ministries, we must perform our duties for ourselves and for each other as required. Local treasurers and individuals who submit a budget to the Province will be held accountable to fulfill the responsibilities of their office and to make appropriate reports to the Treasurer's Office on time. These reports include the budget and monthly financial reports, reports of surplus funds and the submittal of surplus funds to the Province at the appropriate time of the year. In this way we fulfill the letter and spirit of the rule to "hold all things in common."

PREFACE

In addition to the legislative requirements and directives formulated in the Province Statutes and Program, the Province of Our Mother of Good Counsel promulgates this Stewardship & Financial Handbook to regulate and guide the financial activities of the Province, communities, and Apostolates, with specific directives not found in the Rule/Constitutions/Statutes/Program. The directives contained in this Handbook are not legislated by a Provincial Chapter but are endorsed by the Provincial and Council for the well-being and ordered operation of the communities/Apostolates. They complement the legislative documents of the Province and have the force of law.

TREASURERS

“As a community that is called to place all things in common, the following are the precepts we order you living in the friaries to observe.” (Rule Chapter 1:1)

...In the imitation of the poor man Christ, not only do we live by sharing all goods with the friars and without keeping anything as our own, but also, with our hearts free from the desire for material things, we practice frugality in their use with the result that we are less encumbered in dedicating ourselves to the service of our neighbor. Moreover, Saint Augustine in commanding us to call nothing our own, but to let everything be ours in common, (Rule Chapter 1), intended to renew the ideal of the sharing of goods that existed among the early Christians (see Acts 4:32), as a very suitable way to perfectly attain Christian love by living in a fraternal community in which we would all be intent upon God in oneness of heart. (Rule Chapter 1)

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These Stewardship & Financial directives have been prepared for use in the Augustinian Province of Our Mother of Good Counsel. They are to serve as a guide for the financial management of our houses and Apostolates. They describe the responsibilities of and relationships between the Provincial and the Province Treasurer, the Prior and the Friary Treasurer, and any Apostolate Head and the Business Manager or Treasurer. They describe the procedures for communicating the financial status of Local Friaries and Apostolates to the Province. They discuss other pertinent financial issues.

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This entire Manual is to be regarded as having the force of law and is governed by statutes. (CFR Statutes 2014, S707).

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The Constitutions of our Order (2008 edition) No. 314 present the relationship between the Prior and the Friary Treasurer in the following words:

TREASURER: His duty is the careful administration of the goods of the house according to the norms giving in nn. 491-505, and under the direction of the Prior.

He should willingly provide whatever is necessary or suitable for the life of the friars, particularly for the sick, the aged, and guests. He should likewise take care of those who are employed by us, and give them an honest and just wage. In Numbers 491-505 of the Constitutions the following are of importance for this Manual:

493 The primary source of our temporal goods is the diligent work of the friars, and frugality in use and consumption. The other sources are the donations by benefactors of the Order and expertise in matters of finance, which may be practiced, according to its own methods and laws, within the limits of the moral order, the laws of the Church, and the nature of religious life.

496 In order that all these things may be carried out in practice, the friars who are elected Treasurers should be capable and circumspect, and endowed with the expert knowledge and experience which are altogether necessary in these transactions.

497 It is their principal task to take care of the goods of the house, the Province and the Order, to administer these under the direction of the superiors and their councils, and to assist at all times with their prudent judgment, the superiors themselves and their councils, in matters which directly or indirectly concern economic questions. For this reason treasurers should be present in the respective council sessions when such matters are being discussed. They have, however, no deliberative vote in Provincial and General Councils.

498 Major superiors have the task of examining the administration of the Provinces, the Vicariates and the houses respectively. They should fulfill this task either in person or through their Treasurers.

499 By reason of their office, Treasurers can validly incur expenses and perform juridical acts within the limits determined by the respective chapters. For extraordinary expenses and juridical acts, however, they need, in each case, the

consent of the local chapter or of the major superiors or of these superiors with their respective councils.

504

- a. Treasurers are to present an accurate report of the financial state of the house or Province or Order to the respective superiors and their councils as often as the latter shall require. Such a report shall always be made to the General, Provincial and Vicariate Chapters, and at least once a month to the local chapter.
- b. Annually they are to present to the respective superiors and councils an account of the receipts and expenditures of the past year and the estimated receipts and expenditures of the following year.
- c. With due regard for the common law, chapters and assemblies shall determine a sum which the respective treasurer may not exceed without the permission of the superior.
- d. As far as possible, the limitations and conditions of the faculties granted to Treasurers and legal representatives shall be registered with the civil authorities.
- e. Administrative acts on the part of Treasurers that are contrary to or beyond the Constitutions are invalid.

RELATIONSHIPS & RESPONSIBILITIES BETWEEN SUPERIORS & TREASURERS

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The relationship between the Prior and the Treasurer can easily be seen in the above Constitution numbers. The Prior is the final authority, along with his council, concerning the administration of the house. The Treasurers are to be present in the House Councils when matters of finance are discussed either directly or indirectly. The Treasurers are to carry out the financial administration of the house as their expertise allows under the supervision of the Prior. Priors and Treasurers may incur expenses and make juridical acts within the guidelines of the Province Statutes. It is from the above numbers in the Constitutions that one can easily see that the relationship of the Prior and Treasurer is one of mutual trust and understanding.

Priors and Treasurers must always have in mind the harmony of the community with regard to financial matters, since our goods are owned and shared by all friars of the province, and the Priors and Treasurers are but the guardians and safe keepers of these goods. (CFR Statutes 2014 S709)

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In all communities the Treasurer may ask for help from the Provincial Treasurer if needed.

FINANCIAL ACCOUNTING & REPORTING

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- a. The income of the local community is to be considered the means whereby the community is to pay its local and Province financial obligations.

- b. The Province of Our Mother of Good Counsel is one financial entity. In order for that entity to be audited and receive an approval statement, meaning that the finances are in order and all are making appropriate reporting of their financial activities, the Province

utilizes a central accounting system. Each house and individual who are required to report their financial position to the Province, must use the Province-generated forms found on the Province website. At the end of each month a financial report must be submitted. The report should include a balance sheet, including a complete list of all accounts (savings, checking, CDs, etc.), income statement, and copies of all bank statements. These reports should be submitted to the Province Treasurer by the 15th of the following month. At the end of the year, the June financial report must be complete and thorough. The June report is used as the year-end financial report. This report is to be submitted by the Prior to the Province Treasurer in July of each year.

- c. Completing this process will allow the Province to be audited and receive a statement that the Province is in conformity with appropriate financial procedures and fulfilling our stewardship responsibilities. In addition this will allow the Province to approach donors and benefactors showing them we are responsible stewards of the Lord's Kingdom.

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The approved Uniform Chart of Accounts sent by the Treasurer's Office is the basis of the accounting system used in the Province. The account numbers and their descriptions are to be used within the Province when submitting financial information from communities to the Province Treasurer.

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Separate financial records and funds shall be kept for houses and for the Apostolates they serve.

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- a. Local communities are to be given an accurate account of the finances of the community once every month at the House Chapter as mandated in the Constitutions No. 504.
- b. The Province Treasurer is to make a financial report to the Provincial and Council at every council meeting if possible. It is recommended that a monthly presentation be made in order to supervise the expenses of the Province. The Province Treasurer should also make

a report on the financial status of the Province to the Provincial Chapter as mandated in the Constitutions No. 504.

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- a. All communities and individuals whose budgets come under the review and approval of the Province are to make financial reports to the Province Treasurer at the end of each month. These reports should be submitted on the approved forms available on the Province website. The standard account numbers found in the Province Uniform Chart of Accounts are to be followed.

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- a. The Fiscal Year of the Province of Our Mother of Good Counsel begins on July 1st and ends on June 30th. Therefore, the final year-end financial report from houses, Apostolates, individuals, etc., which are required to report, will be the June 30th report, and a new accounting period will start every July 1st.
- b. Each Treasurer is asked to submit a monthly balance sheet, income statement, and copies of all current bank savings and investment accounts, checking accounts, a statement of all cash, CDs, money markets, annuities and loans, etc. Account reports should include the bank name, account number, and names of all signers and current balances. Forms for submitting these are on the Province website.

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No house or individual should invest monies in an annuity. If money is already invested in an annuity, it should be drawn down from the annuity as it becomes available and invested in a savings account or other short-term instruments. Copies of annuities and conditions of the annuity and signers should be sent to the Treasurer's Office.

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Houses may not borrow money without the explicit approval of the Provincial and Council. If a house already has a loan, the amount of the loan, the purpose of the loan, the holder, and the payment schedule should be sent in with the monthly financial report.

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Personal bank accounts and other assets held by individual friars must have another Augustinian as a signer, or at the very minimum, the Province should be listed as the recipient for payment upon death. For accounts held by individual friars, the local Treasurer should have a complete list of all personal bank accounts, CDs, annuities, etc., including a complete account name, bank, account number and signers. Account balances are not required. If there are any personal retirement accounts they need to be disclosed to the Province. A Province-generated form is on the Province website.

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When a community is closed, the assets (funds) of that community become the property of the Province and must be sent to the Provincial Treasurer.

BUDGET PROCEDURES

A. BUDGETS

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- a. Budgets for the upcoming fiscal year (July 1st through June 30th) for all entities directed by the Province are to be submitted to the Province Treasurer by the Prior, and by the Head of any school or other Apostolate which is financially accountable to the Province, no later than May 1st. These budgets will be reviewed by the Finance Commission. The Commission recommendations for acceptance, rejection or modification are submitted to the Province Council for approval at the June Council meeting.
- b. House and individual budgets should show an honest and complete picture of all income and all expenses. Friars should use the previous year's actual income and expenses to guide them in making a new budget while making changes for needed adjustments.
- c. Local and individual budgets sent to the Province do not need to be balanced; all house and individual budgets should be considered part of the Province budget as a whole. The goal is to balance the budget of the Province.
- d. House treasurers and individuals are asked to use approved forms to submit their budget and monthly financial report. Forms for all required financial reports are on the Province website. All communities are asked to use the approved annotated chart of accounts available on the website. (www.midwestaugustinians.org).

B. FINANCE COMMITTEES, SUBMITTAL & APPROVAL

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- a. Each house, and each School and Apostolate financially accountable to the Province, shall have a Finance Committee composed of knowledgeable personnel to help formulate the annual budget.

- b. In a house, the Committee shall consist of the Prior, the local Treasurer, and, if possible, two elected members of the Religious Community.
- c. In a School financially accountable to the Province, the Committee shall consist of the Chief School Administrator, the Business Manager, and other knowledgeable and expert personnel.
- d. In the other Apostolates financially accountable to the Province, the Committee shall consist of the Director, the Business Manager, and two other appointed members of the Apostolate, if possible.
- e. After the budget for an Apostolate under our direction has been formulated by the Finance Committee, the budget must be submitted to the local Augustinian community for approval if there is one. The local community Finance Committee does not have line veto authority, but the local community should be aware of the budgets of the apostolate and community and whether or not they are balanced. The local house chapter shall approve the local community budget before it is sent to the Province.
- f. Once approved locally, the Prior, the Chief School Administrator or Apostolate Director must submit the budget to the Province Treasurer no later than May 1st annually.
- g. The Province Finance Commission shall review all budgets, and, if necessary, communicate with the local communities or Apostolates for clarification and/or possible revisions. The priorities for budgeting are: First, operating expenses shall be safeguarded. Second, the operations of the Province shall be assured. Third: the capital expenses for the Province and the local community, School or Apostolate shall be given appropriate consideration.
- h. The Province Treasurer shall then submit the budgets along with the Finance Commission's recommendations to the Province Secretary for approval by the Provincial and his Council. When an approved budget is returned, the local community or Apostolate receives the authority to operate within the limits of the budget.

C. AUTOMOBILES

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- a. All vehicles are the property of the Province of Our Mother of Good Counsel and should be titled and registered in the name: "Province of Our Mother of Good Counsel". All original titles, registrations, and bills of sale should be sent to the Treasurer's Office for safekeeping. Local houses should keep a copy of titles, registrations, and bills of sale.
- b. When a friar needs a car, the local community should be consulted. If the community decides to purchase a car and the prior approves, the individual's car will be purchased and the Province Treasurer's Office will supply the funds. Cars should be reasonable in cost, not luxurious. Communities and individuals will no longer keep savings for cars. Each house should carefully consider in advance its car needs to allow the Province to budget for car purchases. The Province realizes that there are unexpected occurrences which call for the replacement of a car. The community should consult with Caritas and local dealers for the best price. Please review the car purchase with the Treasurer's Office before the purchase is finalized. Ordinarily a car should be at least five years old with at least 100,000 miles on the odometer when it is traded.
- c. In order to ease the transition when a friar is transferred from one house to another, the car he has been using should ordinarily be moved with him to his new place of residence and be available for him.
- d. All automobile accidents must be reported to the insurance company and the Treasurer's Office within 24 hours of the accident.
- e. The prior or personnel director will schedule a meeting with an individual friar when there are concerns about accidents, tickets for speeding, inattentive driving, or any other noted unsafe driving. Individual friars are responsible to pay fines they receive.
- f. Automobile insurance premiums must be paid to the Province by the local community.
- g. Driving policies for friars are found in the Personnel & Human Resources Handbook.

D. PROVINCE ASSESSMENT

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The Ordinary or Intermediate Provincial Chapter will set the per capita Province Assessment.

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- a. Every community is to pay the full Province Assessment for each Augustinian, regardless of his age, who receives a salary. The community is asked to pay as much as possible of the Assessment for any member whose annual compensation does not allow full payment.
- b. Those Augustinians receiving full or partial Province support from the Province Treasurer's Office are exempt from paying the Province Assessment. An Augustinian receiving a part-time salary from the Province Treasurer's Office is required to pay the Province Assessment on other sources of income in accord with the preceding paragraphs if possible.

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The Province Assessment is to be paid on a monthly basis by the Prior or Treasurer. If a particular community cannot pay monthly, another arrangement must be made with the Province Treasurer.

E. STIPENDS & DEBT

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- a. Each friar should receive a monthly allowance of \$250 and \$1,000/year for vacation. The following norms are provided to guide individual houses with regard to gifts for birthdays, anniversaries, Christmas, and Easter. The normative birthday gift should be \$50 to each friar, \$100 for Christmas and \$100 for Easter. \$250 should be given for the

twenty-fifth anniversary of profession and ordination. \$500 should be given for the fiftieth anniversary of profession and ordination. For vacation travel expenses, each friar should receive one round trip home at Christmas and in the summer and a car rental if necessary. These stipends are provided by the local community.

- b. The Province will not pay credit card debt created by an individual friar. It will, however, work with that friar in order to reduce and pay off the debt through the friar's own efforts.

F. SALARY SCHEDULES & PENSION BENEFITS

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The salary received by Augustinians teaching and working in the schools shall be the same as that of the lay personnel in each School, or according to a local contract. The total Salary and Benefits Program for Augustinians shall contain the following benefits in addition to gross salary:

- a. Social Security payment: An equivalent of the school's share of the current Social Security Tax (FICA) is paid to the friary for each full-time Augustinian.
- b. Health Care Insurance: The School shall pay to the house the same amount for each Augustinian as it pays for each lay person.
- c. Other employee benefits should be paid to working friars as they are to lay employees.

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- a. Augustinians who are employed full-time are expected to receive an appropriate contribution for the Journey of a Lifetime as a pension benefit. (This benefit may be due only after a specified period of time of employment, according to employment policies.)

- b. For friars employed in schools, the pension benefit shall be the same as that of lay personnel. Both school and employee portions are to be included in payments made to the Journey of a Lifetime equal to the percentage used for lay employees.
- c. For friars employed in schools which the Province staffs under contract with a diocese, the pension benefit amount shall be specific in the contract.
- d. For friars employed in parishes or other diocesan Apostolates, the salary and pension benefit amount shall be specified in the contracts with the respective dioceses or in the diocesan policies for religious.
- e. For friars employed by other institutions, the pension benefit amount shall be specified in the respective contracts.
- f. In all instances, both employee and employer portions are to be included in payments made to the Journey of a Lifetime in care of the Province Treasurer.
- g. Pension figures are to be included as income and expense figures in budget forms submitted to the Province Treasurer each year. Payments are to be made to the Journey of a Lifetime in care of the Province Treasurer at the same time as Province assessment payments, but by checks separate from the assessment payment checks.
- h. All communities and individuals should arrange to receive their salaries and benefits from their employers over a twelve month period.

G. AUGUSTINIAN HERITAGE SUPPORT

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- a. High School Heritage Fee: The Augustinian Heritage Support Program (Heritage Fee) seeks financial support for the Augustinians from the high schools which have enjoyed the benefits of Augustinian leadership and sponsorship during their history. These

benefits include participation in the Augustinian tradition, the living heritage of the school and the creation of its alumni, and the good name and good will of the school in the community, which to a large degree have been fostered by the Augustinians. It includes the benefits of participation in the Midwest Education Commission, the Augustinian Secondary Education Association, and the Augustinian Institutes offered to all.

- b. It is requested in recognition of the fact that Augustinians of previous times invested mightily in their schools through direct financial support, long term subsidies, contributed services, minimal salaries and minimal benefits provided to the Augustinians, and donations made by the Augustinians directly to the schools. Because of the decreased numbers of Augustinians in modern times, and the need to provide for elderly and retired friars, and support vocations, the Augustinians need financial support. Heritage support will be used to support the Augustinian Province of Our Mother of Good Counsel.
- c. The amount of financial support should be set with the approval of the Treasurer, Superintendent of Schools, and the Provincial. It should be reviewed annually and raised as appropriate so that it provides needed support for the Augustinians.

H. SALARIES FROM OUTSIDE AGENCIES

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An Augustinian employed by an agency other than the local Apostolate must turn in his salary checks made out to "Province of Our Mother of Good Council" to the Prior of the friary where he is living. The local community will provide his living expenses. In the event he needs additional financial support related to his ministry, the local Prior should make an arrangement.

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Augustinians who reside outside of an Augustinian house, while working for another corporation, diocese, etc., will consult with the Province Treasurer in the formulation of a

working budget. This budget will include provision for the payment of the Province Assessment, reimbursement for medical program costs, participation in the Social Security Program, and pension benefits. For tax purposes, all checks are to be made out to "Province of Our Mother of Good Counsel" and sent to the Province Treasurer. A monthly stipend check or ACH transfer will be sent from the Treasurer's Office to the individual based on his approved budget. Individual arrangements can be made with the Provincial in consultation with the Province Treasurer. Augustinians who reside in a house of another Province shall be governed by a Memorandum of Understanding agreed upon by the two Provincials.

I. INSURANCE

1733

Each community is responsible to pay the health insurance premium for each of its members in the health insurance plan who are less than sixty-five years old. It is the responsibility of each Prior and Treasurer to see that each of the members of their friary is on the policy. Individuals not living in a community as well as those on leave of absence are responsible for their own payments to the Province Treasurer. Those members who are more than sixty-five years of age receive Medicare and supplement insurance paid by the Province.

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Parishes, schools, and other employers usually provide health insurance to their lay employees through their own benefit plans. Augustinians working in any Apostolate must receive health insurance and other benefits, if possible, from their employers.

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The Province carries a general liability insurance on the buildings and property it owns.

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Local communities and individuals must use the Province vehicle insurance policy which meets the current limits of the Province catastrophic policy, i.e. \$1,000,000.00 (one million

dollars). It is the Province Treasurer's responsibility to keep the Province catastrophic policy up to date with a liability limit of at least \$24,000,000.00 (twenty-four million dollars excess, on an occurrence form).

J. SOCIAL SECURITY

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- a. Friars should apply for Social Security benefits ordinarily at the age they qualify for full benefits, noting that beyond age 70 the benefits will not grow larger. It is recommended to work with the Treasurer's Office to apply at the appropriate time.
- b. Friars applying for Social Security benefits should work with the Treasurer's Office to establish a new account at Old Second Bank to receive social security payments. Friars will need to authorize the Province Treasurer's Office to sweep the funds from the individual account into the Journey of a Lifetime account which collects all social security payments for friars who are retired and is used for their support.
- c. Friars are asked to remember that if the community budget shows a need for financial support, the Province Treasurer's Office will provide it. Each community will be billed on a quarterly basis by the Province Treasurer's Office for the employee share of the Social Security and Medicare taxes for novices and those friars in the community who are in the health insurance program and have not yet reached the age of retirement, or applied for Social Security. Payments are determined by: The Fair Market Value times the Social Security and Medicare Tax Rate as published by the Federal Government. The Fair Market Value will be determined by the Provincial and Council.
- d. Augustinians not residing in a house of the Province will be billed on a quarterly basis by the Province Treasurer's Office for the employee share of his Social Security and Medicare Taxes. Payments are determined by: The Fair Market Value times the Social Security and Medicare Tax Rate as published by the Federal Government.

K. PROVINCE SUPPORT

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Province Support is determined by subtracting total expenses from total income on the annual budget. A negative figure is the amount of needed Province Support. A quarterly request for Province Support should be made by the Prior by calling the Province Treasurer.

THE PROVINCE WILL ALWAYS HELP COMMUNITIES OR INDIVIDUALS WHO NEED FINANCIAL ASSISTANCE.

L. BUDGET CONTROL

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- a. The local Prior with the assistance of the local Finance Committee is responsible for the supervision and control of the community budget.
- b. In a school, the Chief School Administrator with the assistance of the local School Finance Committee is responsible for the control of the budget.
- c. For parishes and other Apostolates, the Pastor/Director is responsible for control of the budget with the assistance of the Apostolate's Finance Committee.
- d. Once each month, the local Prior, Chief School Administrator, or Director with his respective Finance Committee, shall meet to discuss the budget and its relationship to the actual financial operations of the Friary or Apostolate. The budget should be revised, if necessary, within the limits of the approved budgeted total income and total expenses. If it becomes apparent that the actual expenses will be more than the budgeted income, this must be reported to the Province Treasurer, who will in turn communicate this information to the Province Finance Commission, the Provincial and his Council. No

further adjustments are to be made to the budget until directions are received from the Province Council.

M. RETIREMENT & RETIREMENT SUPPORT

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The basic retirement plan for the Province and all friars is full participation in the Federal Insurance Contributions Act of the United States Government (Social Security).

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- a. In addition to Social Security, the Province safeguards the well-being of each retiree by supplemental payments to his house as needed. A request for Province support can be made to the Treasurer. When approved by the Province Council, the Province Treasurer will issue a check or ACH transfer for the appropriate amount payable to the local community at the beginning of each quarter.

- b. Augustinians who must enter an assisted living or skilled care facility must first use their personal financial assets to support themselves if their personal assets are greater than \$2,000.

N. RETIREMENT LIVING AT ST. ANTHONY HOME

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a. Policies & Procedures for St. Anthony Home, Crown Point, Indiana

The ordinary residential placement for friars in full retirement and no longer living at an Augustinian house involved in the Apostolate is St. Anthony Home complex in Crown Point, Indiana.

St. Anthony Home has various types of living space to accommodate the needs of friars at different points in their lives.

1. Independent living is available for friars who are fully functional and can take care of their own personal needs.
2. Assisted living is available for friars who need some help in their daily routine to enable them to be more self-sufficient.
3. Skilled care is available for friars who need consistent and regular daily support for living.

b. These Documents are needed to enter St. Anthony Home for Assisted Living & Skilled Care:

1. Birth certificate
2. Baptismal certificate (copies are available in the Provincial Office files)
3. A valid passport (if available)
4. Social Security card
5. Medicare card (if applicable)
6. Medicare "D" card (if applicable)
7. Medicare supplemental insurance card (if applicable)
8. Driver's license (if applicable)
9. Photo ID in the event there is no driver's license

10. The most recent three months of bank statements under the applicant's social security number
11. All co-signers on these accounts; this is required
12. A listing of any and all assets which are under the friar's social security number; for example, certificates of deposit, savings account, pension, annuities, family trusts, property, etc.

c. Policies for Applying for Medicaid in the State of Indiana

Medicaid is a program which supports those who do not have sufficient financial resources to live on their own. Friars who would be living in St. Anthony's Home in assisted living or in skilled care must apply for Medicaid. The following policies are required for friars to be qualified for Medicaid.

1. A friar may not have collective assets listed under his social security number in excess of \$2,000.
2. If the friar has assets in excess of \$2,000, these assets must be spent down to support the friar before he may apply for Medicaid. Once a friar's assets drop to or below \$2,000, the Province will pay their housing expenses from that time on and apply for Medicaid.
3. Individual friars will continue to receive an allowance, although it may not accumulate in excess of the \$2,000 limit.
4. All personal needs will be provided by the independent community of Bl. Stephen Bellesini Friary, such as toiletries, clothing, transportation, telephone expenses, etc.

O. SURPLUS FUNDS

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- a. Communities and individuals with approved budgets may retain up to 15% of the immediate previous year's expenses into the next fiscal year as security against unexpected costs. This savings applies to the immediate previous year only, as reflected in the June 30th Fiscal Year Report. It is not cumulative from any other fiscal year.
 - b. All money in excess of 15%, including all bank accounts, investments, and former car accounts should be send to the Treasurer's Office. If there is a deficit, this deficit will be paid quarterly by the Province to support the house or individual. Surplus funds are used to support the sick, elderly, and vocation and formation expenses.
 - c. All surplus funds should be forwarded by the Prior of each house to the Province Treasurer by September 15th of each year. If unexpected expenses occur, the Prior or a budgeting individual may always request necessary support from the Province.
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LEGAL FEES

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Yearly, each house or Apostolate of the Province will be billed by the Province Treasurer for any legal and professional fees incurred during the year.

CONTRACTS & RECORDS

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All significant contractual agreements (>\$25,000.00) require the approval of the Provincial and his Council. Contractual agreements include Province assets, contracts with Sisters, capital improvements and contracts between our religious personnel and outside agencies.

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All property titles, financial records, insurance policies, contracts that pertain to the Province, contracts referred to above, etc., shall be forwarded immediately upon execution to the Office of the Province Treasurer for safekeeping. Copies shall be retained by the individual House or Apostolate. The Province Secretary should have a copy of all contracts.

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Whenever property is rented or repairs or renovations are made, those to whom we are renting or those who are doing work must have a certificate of insurance covering workman's compensation and liability.

POWER OF ATTORNEY

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Augustinians must complete a durable power of attorney for medical and financial matters and give it to the Provincial. Friars should use the form provided by the Province Treasurer's Office.

INDIVIDUAL CHECKING, SAVINGS & CREDIT CARD ACCOUNTS

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- a. A friar may have his own checking, saving and/or credit card accounts. The costs associated with the use of credit cards, checking, or saving accounts are the responsibility of the individual friar. It is the responsibility of the local Finance Committee to insure that there are no abuses of the use of credit cards or checking accounts by the friars. These checking and savings accounts must have another Augustinian from the Province as one of the signers. This requirement is to insure the access of these accounts in the case of some incapacitating health problem or accident to the friar who holds the account.

EDUCATIONAL DEBT

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Candidates applying to the Augustinians for entrance to religious life who have educational debt are required to observe the following policies and procedures.

- a. The candidate must make a full disclosure of all debt, educational and other, during the application process. Disclosure must be accompanied by appropriate paperwork from the debt holding agency showing the size of the debt and the terms and conditions of its repayment.

- b. The Province will defer payment on educational debt when possible during those periods when the candidate is in college or graduate school. When deferrable, interest only will be paid on student debt. Application for deferment must be completed by the candidate and the Treasurer's Office must be informed. Candidates are expected to cooperate with the Advancement Office to apply for grants and other assistance to reduce student loans.
- c. When student debt is not deferrable, the Province will make minimal acceptable payments on time so that the debt remains in good standing. Candidates must send updated statements about their student loans to the Treasurer's Office regularly.
- d. As the candidate progresses through formation, debt will be paid as prescribed by the loan agency to keep the payment current and satisfy the financial obligations.
- e. When the candidate completes formation, the debt will continue to be paid by the Province in a manner which is most convenient for the Province, while fulfilling the debt obligations until the debt is paid in full.
- f. Candidates who may leave formation with education debt will reassume the debt and accept responsibility for its repayment.

GRADUATE & CONTINUING EDUCATION

1761

- a. Augustinians are strongly urged and encouraged to extend their professional degrees, certification and credential competence to qualify them for professional careers in their various service in the Apostolate.
- b. The local community is responsible to fund educational expenses for additional degrees and certifications, and for courses to meet accrediting association requirements, depending on the professional field and needed competence.

- c. An Augustinian who wants to pursue an advanced degree, certification or additional professional education program, should seek permission from the local superior. The local community is ordinarily responsible for funding these programs. Therefore, according to the requests of its members, each community is to budget monies for this purpose.
- d. Permission and funding for full-time or extended educational programs which impede regular assignments should be obtained in advance of making a commitment to the program. The Province Director of Continuing Education must be contacted and permission obtained before a friar makes a commitment to a long term program.
- e. When funding for these programs presents a financial difficulty for the local community, the individual requesting permission may contact the Province Treasurer's Office for possible additional funding.

**SOCIALLY RESPONSIBLE
INVESTMENT GUIDELINES**

1770

- a. The Province of Our Mother of Good Counsel does not own any substantial financial assets. Assets which may be used to support the Augustinians or their Apostolates are the property of several named trusts administered by an independent Board of Trustees.
- b. These Socially Responsible Investment Guidelines are to be followed by all parishes, schools, and other agencies owned or operated by the Province of Our Mother of Good Counsel of the Augustinian Order, which may need to invest appropriate assets. The Province urges Schools and other Apostolates which it does not operate but where its friars are involved, and the Trustees of the Trusts which benefit the Province, to follow these socially responsible policies.

1771

The Province is called to exercise faithful, competent and socially responsible stewardship in the management of financial resources. The Province draws the values, and criteria² which guide financial choices from the Gospel³, Universal Catholic Church teachings and United States Conference of Catholic Bishops' statements⁴.

1772

The Province must exercise ethical and social stewardship in our investment policies. These policies are based on the moral requirements posed by the virtues of prudence and justice. They recognize the reality that socially beneficial activities and socially undesirable or even immoral activities are often inextricably linked in the products and the services of individual corporations. Given the realities of mergers, buyouts and conglomeration, it is increasingly likely that investments may be in companies whose policies or products make the holding of their stock a "mixed investment," from a moral and social point of view. Nevertheless, by prudently applying traditional Catholic moral teaching and employing traditional principles of cooperation and toleration, as well as the duty to avoid scandal, we must reflect moral and social teaching in investments.⁵

² - A: do no harm (avoid Evil)
-Active corporate participation, -
Positive strategies (promote the common good)

³References from Scriptures and OSA Constitutions:
-The Beatitudes (Lk 6:20-26; Mt 5:1-12)
-A. No one can be the slave of two masters (God and Money) (Mt 6:24)
-Parable of the rich man and Lazarus (Lk 16:19-31)
OSA Constitutions: #64-73 on Evangelical Poverty.

⁴ See: Socially Responsible Investment Guidelines at www.usccb.org/about/financial-reporting/socially-responsible-investment-guidelines.cfm

⁵ Ibid

INVESTMENTS WILL BE GUIDED BY THE FOLLOWING PRINCIPLES

(Based on Investment Policies of the United States Conference of Catholic Bishops)

1773

Protecting Human Life

a. Abortion

POLICY: In view of the nature of abortion, the investment policy of the Province is the absolute exclusion of investments in companies whose activities include direct participation in or support of abortion.

b. Contraception

POLICY: The Province will not invest in companies that manufacture contraceptives or derive a significant portion (10%) of their revenues from the sale of contraceptives, even if they do not manufacture them.

c. Embryonic Stem Cell/Human Cloning

POLICY: The Province will not invest in companies that engage in scientific research on human fetuses or embryos that 1) result in the end of prenatal human life; 2) makes use of tissue derived from abortions or other life ending activities; or 3) violates the dignity of a developing person. Specific activities covered by the policy will include:

1. Embryonic stem cell research (ESCR)
2. Fetal tissue research or stem cell research derived from embryos; and
3. Human cloning.

1774

Promotion of Human Dignity

a. Human Rights

POLICY: The Province will actively promote and support shareholder resolutions directed toward protecting and promoting human rights.

b. Racial Discrimination

POLICY: The Province will divest from those companies whose policies are found to be discriminatory against people of any ethnic or racial group.

c. Gender Discrimination

POLICY: The Province will divest from those companies whose policies are found to be discriminatory.

d. Access to Pharmaceuticals (e.g., HIV/ AIDS)

POLICY: The Province will encourage companies to undertake or participate in programs designed to make life sustaining drugs available to those in low income communities and countries at reduced, affordable prices.

e. Curbing Pornography

POLICY: The Province will not invest in a company that derives a significant portion of its revenues (10%) from products or services which exclusively appeal to a prurient interest in sex or to incite sexual excitement. These would include, but not be limited to, sexually explicit (x-rated or SC rated) films, videos, publications, and software, topless bars and strip clubs and sexually oriented telephone and Internet services.

1775

Reducing Arms Production

a. Production and Sale of Weapons

POLICY: The Province will avoid investment in firms primarily engaged in military weapons production and sale, the production and sale of hand guns and/or the development of weapons inconsistent with Catholic teaching on war (e.g., biological and chemical weapons, arms designed or regarded as first-strike nuclear weapons, indiscriminate weapons of mass destruction, etc.).

b. Anti-Personnel Land Mines

POLICY: The Province will not invest in companies that are directly involved in the manufacture, sale, or use of anti-personnel land mines.

1776

Pursuing Economic Justice

a. Labor Standards/Sweatshops

POLICY: The Province will actively promote and support shareholder resolutions directed toward avoiding the use of sweatshops in the manufacture of goods.

b. Affordable Housing/Banking

POLICY: The Province will not deposit funds in a financial institution that receives less than a satisfactory rating from federal regulatory agencies under the Community Reinvestment Act.

1777

Protecting the Environment

POLICY: The Province will actively promote and support shareholder resolutions which encourage corporations to act to preserve the planet's ecological heritage, addressing the rampant poverty in the poorest nations, redirecting development in terms of quality rather than quantity in the industrial world, and creating environmentally sensitive technologies⁶.

1778

Encouraging Corporate Responsibility

POLICY: The Province Trustees will encourage companies to report on social, environmental, and financial performance.

⁶ Renewing the Earth, 1991 USCCB Pastoral Letter