

REPORT ON GLOBAL FINANCE MEMORIALS

First of all I want to say that doing the global finances is sheer fun. I was working last week, and had the usual miles and miles and miles of adding machine tape out of the machine all curled up. One of my colleagues walked through and said "Do you feel as though you are creating civilization?" and my response was "Indeed yes!" Frankly I think it has been exciting since we moved into the global budget stipend construct last year. This year we anticipate really beginning to ground our global finance reporting formats and reporting our funds monthly on a global basis. This year more than ever, we are operating out of the image that we are building a global economic system. Toffler's book Eco-Spasm tells about 80 million dollars bouncing around the world and no one knew where it was; well, that has been our situation! The issues of getting funds to Chicago, of international currency, of getting across national boundaries, all of which we will be working on this year, are really in the arena of building a global economic system.

I used to find myself proud that Order Finance has a larger budget than the Ecumenical Institute. We operate on \$5 million a year and the Ecumenical Institute runs around \$2- or \$3-million a year. But I was shocked to hear a \$15 million development goal for next year with an addendum of another \$5 million as the Order budget: that completely reverses the relationship between those two. The model that went out around the world last year was based on the principle of the mission fund (or program fund) being 100% of the sustenance fund. The new EI budget of \$15 million is 300% of the mission funds in principle. It's an exciting thing. I wear a size 12 shoe, and my mother tells me when I was four feet tall I wore a size 11 shoe---the proportion to my body was funny. Then the rest of my body shot up and my feet stayed about the same. That is what happened in relation to those two budgets. The Order budget has stayed fairly constant and the relationship of the program budget to the Order budget is going to be even better, though we will never see a lot of that money because it will never pass through our books. It is a great day to hear that kind of relationship beginning to break loose.

In the Global Priors Council this year in August, there were five memorials that fell under the rubric of global finance design. One of those memorials was about the program budget, which was originally designed to take care of the local program - telephone, communications, travel money to go out to cadre meetings, that sort of thing. The House program account is now the responsibility of the Ecumenical Institute. This is extremely exciting because it is the first move toward having the Ecumenical Institute pick up the missional money of the Houses. I might say that one of the main issues this year, because of Town Meeting and Social Demonstration, is how we can get a

budget that will release troops to be out in the field doing Town Meeting and building the metro cadre which will be formally marked in January. We did put practical implementation under this. The area (I mean the Global Development Centrum in cooperation with the areas) will raise the money for that program fund which last year totaled \$356,000 for the Houses.

The second memorial was on legal responsibility. We didn't put any implementation under that but will do so later.

The third memorial was on the 11-month year. It was becoming obvious that the month to do resettlement was August rather than September as we have done it in the past. We are declaring an 11-month year from September first through July 31 of next year.

Then the fourth memorial was on self-support. Rather than the 10% hold on stipends which has been operative, the new memorial allows three months. At the end of three months a House will be self-supporting or the checks will be held. We began trying to get the implementation underneath that, and, like all of these memorials, what seemed to be implementation of a rather simple memorial raised a number of complex issues.

The fifth memorial, #19, was the one we had to get worked through relative to implementation so Houses could build their budgets in the area councils. That memorial was on the global mission fund. Those funds, the money for which the Houses raise, had to be brought into line with operating costs, rather than being calculated as a percentage of the sustenance budget as it was last year. It was to that end that we worked, and wrote the implementation document for the area councils.

Someone said recently that from now on, anything that goes out from Centrum should be headed "Memorial #5" relating everything we do to a memorial, which was a consensus of the Global Priors Council. Even to anticipate sending out communiques to the Houses under that format is exciting relative to our polity. It seems a great step forward.

There are four Task Funds, and there are four Trust Funds. This has to do with our \$84 a month, or, around the world, 100% of the stipend base. For example, in Cebu in the Philippines, this figure would be \$12, which is what their stipend is, and would be spread over the eight funds. In addition to the Trust/Task Funds, each House (but not the centrums) has a Global Program Fund, which has the same categories as the Task Funds but is a separate budget category.

Several years ago, when we first started talking about going areal, the basic image we have tried to hold for ourselves is that going areal is going global. When you are going areal you are not interested in any way whatsoever in the area; you are interested in going global. Going areal is a way to structure the ability to operate practically as a global people. You remember when you were a child and didn't eat your oatmeal Momma said "Think about the people in India." With your good common sense you would ask what eating your oatmeal had to do with the people in India, which is exactly the point. Structurally it had no relationship whatsoever. Doing your House budget has nothing to do with India. What we are out to do is to have a structural way so that every local situation can participate in the global, and we have come up

with an area construct; operating by areas is a way to allow everybody to participate in the global. You remember our image of dynamics of the global: Globalis, Localis, Regionalis. The global and the local are the only realities--the regionalis doesn't exist. We talk about the transestablishment the same way. You stand either within the establishment or the disestablishment at any one time. The transestablishment does not exist, though that is who you are. You are not synonymous with either one of those but that is the stance you take while standing in the midst of one or the other of them. The point I am trying to make is that in our polity the last thing we want to do is establish bureaucratic machinery, and I am talking about that in the positive sense. We need that, and I guess if there is bureaucratic machinery, Order Finance would be a good example of it. In a positive sense bureaucratic machinery has to be there. The issue with bureaucratic machinery is not whether it should be there or not, but its relationship to the rest of the social process. The last place you want that is on the area level. All you are out to do is to build a structure so that any House can participate in a genuinely global polity dynamic. The area is the key. It is a way to structure our local finances so that any local House can participate actually in the finances of the total globe.

The Ecumenical Institute owes the Order Ecumenical a little over \$400,000. I want to point out that it is not true that development fell down on its job, and therefore the Order had to loan the Ecumenical Institute money. Any time you launch a new project you have to bridge a gap between the inception of it and the world catching up and being able to fund it. To do this, we built into our Order structures part of the Task Fund that we set aside every month for every adult Order member. That money is to fund edge programs until we can get the world to fund them. It started with our continental teaching program. We spent a long time with the Order funding that until we could get the program to pay for itself. So what we have done basically is to structure into our life as an Order a way to fund new programs so they can get off the ground. We do not have to wait for funding, and then in principle we build toward every program being self-supporting so that money is again freed up to deal with the next new edge. That is basically the reason for that debt, and the debt signals that we are operating within our edge. The Ecumenical Institute is always supposed to owe money to the Order, just as the Ecumenical Institute is always supposed to be broke. That is not a problem, that is the way we structured our finances relative to operating as a revolutionary body.

There are two major shifts that have gone on in finances this year. Both of these shifts are geared toward releasing more House personnel to be engaged Day I in the mission. They are geared toward reducing the amount of money that Houses now have to raise through salary income, for the sake of releasing those people for Day I mission.

One has to do with the program account. Each House budget has a sustenance budget that includes stipends, food, care, and also the Task/Trust funds of which there are eight parts. It also has an mission budget which has four parts, corresponding to the four parts of the Task funds. In this mission budget is a program budget. That is the money that the House uses for transportation, for communications, for office supplies, for consults, and miscellaneous. It has a House Reserve. It also has global funds, money that actually never comes to the House. Up to this point not only have we been self-supporting relative to our sustenance budget but we have raised the money out of our salaries to pay for the

program budget, for the gasoline to go around to do the mission, and telephone and everything else which in the first instance does not have anything to do with self-support. It is doing mission, and yet because we had to have the money to do that we took it upon ourselves. The decision was made at the Global Priors Council in July that, not just in North America but across the globe, the Ecumenical Institute is going to fund the program account of every House, which means that that check comes from the Ecumenical Institute Finance Office and better yet, they do not have to raise that money themselves. They are relieved in that way. The Global Priors in their wisdom immediately realized that it might be the case that if a House were no longer responsible for raising the money for its program account, it might tend to raise the program account more than if it were going to have to raise the money itself. And so part of the guidelines for this year is that no House is going to raise its program account more than 10% over the last year. This may not be a totally adequate method of budgeting for the long haul, but the decision was to go with this for a while until we could get a good bit of experience under our belts.

Now the other issue that I want to come to a little later in a different context is that the money has to come from somewhere, and this adds \$30-35,000 a month onto the development job just in North America, to cover all the House program accounts. The structure is set up to give development roughly three months to get on its feet relative to this particular effort. In other words, the Order is authorized to loan the Ecumenical Institute up to three months worth of program account for them to get going and to get the Houses involved in the development it is going to take to fund the program account. Then, on the other side of that if the money is not there, the program account can not go. All the machinery for making that decision about how much program money is there, and therefore can be raised, will have to be worked through; but initially to get the Houses off the ground we built in that kind of mechanism.

Global Community Forum has built a fantastic 5-6page document on developing money, in which the issue has to do with how to involve the Houses in raising this money. It will not help us to hit the sources we have already hit in the past for this. It has to be over and above anything we have done up to this point or we are not gaining anything, we are only cutting our throats. But the basic shift is that the House no longer has to raise the program account money which on this continent is something like \$500-600 a month for an average House. There is a broad range as to how we structure that in, but that is a major shift.

The other major shift has to do with the category in the budget called global mission funds. This has nothing to do with the \$84 funds we set aside for each person. If you are in a Religious House, you have in your mission budget, apart from your program budget, three other categories. They are called House Reserve, Order Travel, and Global Council. These are designed to cover the expenses in that particular category for a particular year. For example, in North America, House Reserve covers the resettlement expenses of North America. Anytime anybody travels from one continent to another, that is an Ecumenical Institute expense, and anyone who is going on an intercontinental assignment for the first time is required to go out and develop at least the money for that initial trip. House Reserve covers only moving within this continent. In SEAPAC it is within an area because of distances. The Houses' budget

money each month to go into that fund so that we have enough money to do the resettlement we need to do. The way we budgeted the formula was to take last year's expenses and round them off. They have remained a fairly constant figure in the past three years. It used to be we all came into Chicago and then everybody went out from here. Last year we broke that pattern, and we thought our resettlement expenses might be a little cheaper, but as it worked out they have remained pretty much the same. So we budgeted for the Houses \$40,000 to take care of that resettlement.

There is an account for the Order called Order Travel; that has to do with getting people to Priors Councils, and getting them in for the summer program. It covers area expenses. The formula, the overlay formula that arrives at how much money each area should have for their area council, was two round-trip tickets for each House into the Area House plus \$4 a day for nine meals for those 4 people. Any House more than 750 miles distant from the Area House was budgeted another round-trip air ticket, and that constituted the budget. This was a consensated-upon formula, and we actually began to work it out to see whether or not it would be possible to have every House member in this council, because it is not a council that can leave anyone home. On the phone I asked one of the Area Priors "Did your budget cover the expenses?" and he said "Not quite, the Houses are going to have to pick up some of it, but in fact we had anticipated that there would be a minimum requirement on the Houses to do the Area Council." We had a great discussion about what a transrational model was, trying to work it through, and this is, I think, a fine example of what you mean by a transrational model.

Transrational and global, first of all, mean the same thing. They are not two different animals. When you are talking about transrational, you are talking about something that is global. A rational model is something superimposed on a broad diversity and it can not help but be wrong for all but the few that you happen to gear it to. A transrational model holds with utter commonness, but no globe could take a rational model because of the diversity of the globe.

What I am trying to say is something like this: the commonness is that everyone does the same thing, and everyone raises the same amount of money. Take Edmonton and New York for example. The model says that every House sends two people. We give them two airfares, and if they walk they can all go, like Newark, if they took enough time. The principle of the commonness is that every House does the same thing. However it is not the same in Edmonton to send two people from Anchorage, as to send two people from Newark to New York. But the models are the same. Every House gets to do the same thing but the finances are not the same; they are as broad as they can be. Every Area Prior can take one circuit around his region. That is a difference too. Edmonton's circuit costs more than New York's circuit for example. The commonness is that every Area Prior does the same thing. It is not blocked by the diversity. The diversity is there and it is honored.

The transrationality also comes at the point that everyone does not raise his own money. It is a corporate fund. It works like this: you take the total amount it is going to cost everybody to do the same thing in their regions and divide that by 53, the number of Houses. Then you multiply that figure by the number of Houses in an area - for example Edmonton has 4 Houses so you multiply that by 4. That is the amount of money that Edmonton has to put into this fund. That is going to be a lot less than they spend out of it. It is going to be the

reverse in New York. They are not going to take a lot out. They are using the same figures, so that the expenditures and the money put into it do not equal. It is a transrational model in that it allows everybody to participate equally and commonly across the board, and allows the things to fit to the actual diversity of the situation.

The second thing about the Order Travel, which we have many times called the area account because it deals primarily with area expenditures, is the continental councils. They are in December, March, and June. Last year we brought the troika into Chicago two times during the year, and the first-among-equals priors one time. The formula we devised for this year was to figure how much it would cost to come to Chicago for one troika meeting, one area priors council meeting, and one first-among-equals meeting. We hasten to say that this in no way is defining the continental councils. That will be decided by the area priors, even if we have to have three troika meetings a year. But we felt that with the local Town Meeting work necessary, that seemed an adequate formula to compute the cost for the continental councils. The third thing in the Order Travel fund is the area priors circuit. We computed that as a round trip ticket to each House from the Area House, and that money is then available for the circuit. There will probably be an excess on those circuit trips, because the area priors will be out in their areas so much for metro formulation, Global Community Forum followup and teaching assignments. There are many ways to get the area circuits supported indirectly. With that formula, the expense for this year came to \$108,604, for these three funds which is a substantial cut from the \$156,790 last year. The Houses' budget that they have to raise this year has been cut back by \$445,224 which promises to be a very comfortable cut back.

Global Council has to do with that one council that we have every year. Last year it was in July, and everybody from the continent comes. From our funds this past year it was around \$18,000. The other centrums did a great job this past year of beginning to pick up travel to Chicago out of their own centrum money.

Last year we moved into a brand new area in terms of funds, and we did not have any idea how much money we would have to put in them to cover our expenses. In the midst of being strapped, when all the bills came in for the past year, we discovered that in the mission funds we had accumulated approximately \$61,000 more than we spent. Some of our funds are meant to be in a pool and be building; we want to build our education fund because of all the kids that are coming, and we want to build the annuity fund because one day all of us are going to get older. But these Global Mission funds are not meant to accrue. It is like a paper clip budget in an office. If your paper clip expense is \$50 you do not want to tell everybody they have to hustle around and up it to \$75. It is an extra burden, and you want to get it down. We found that, assuming that the expenses are going to be the same, they were working an extra \$50,000 hard in that arena. We could not have known that last year; it was only after a year's experience that you could know that. We have come up with a new formula for a total assessment of \$108,000 that needs to go into those funds over the next year. This formula will reduce the amount of money that each House will have to raise to put into those funds.

Another part of the whole thing is that the global priors decided in July that the Order is going on an August to July year. You can see why you would decide that because we are moving into assignments in August rather than September. To make that shift we need to operate one 11-month year, and this is it. Look at the funds. Resettlement will not go down because it is an 11-month year, Area Council will not be less. It is going to mean extra work to raise the total amount because it is going to have to be raised over 11 months rather than 12, so that will be a little bit of a hump to deal with, although in principle you are raising \$59-60,000 less.

Last year in North America the Houses went down approximately \$200,000. In years before we have declared a crisis if we went down \$5000 for the year. What happened is something like this: in March we were roughly in the same position we have been every other year relative to the number of Houses and the kind of debt. Previously in March we pushed the panic button and told everybody to drop everything and get a fifth job or sixth job and get the money in. We are now operating within the world's timeline. In other words we could not call up the Bicentennial commission in Washington and say "Our finances are low. Postpone the Bicentennial for two or three years because we have to drop it for the next 6 months." We could not do that, not because we are interested in the Bicentennial but because we are plugged into that rider. We are operating within the world's timeline and couldn't shut down the way we could other years. You had to keep that push going because of the kind of work that building Global Community Forum is. Therefore, rather than making a dramatic upsurge during the past six months, it just kept going the way it was going, and we ended up with a \$200,000 debt. We said in March that we would just give every House a \$4000 salary (we knew roughly what the deficit was going to be, and over 50 Houses that makes \$200,000) and we would come out even. Then on the side we said "And we'll develop the money for the salary." Everything happened except the developing of the money for the salaries; we did not really put practical wheels under that. Therefore it has come out as we expected expensewise, but we do not have the \$200,000. In July therefore a formula was come up with for raising that. We never go down. We never in our past have gone down. This past year we will wrap up those books not having gone down. You do not fail, it is a revolutionary principle. You never fail, you rework your finances and we are going to push ourselves to get this raised. The extra money in the Global Mission funds, \$60,000 is going to be applied to the \$200,000. That is roughly a third of it. A third of it is assigned as debt to the Trust/Task Funds. A third of it is going to be raised by assessing each North American House \$100 a month over this year; \$100 a month for 53 Houses is roughly \$5000 which for 11 months is \$55,000 to use rough figures. The main point of it is that it wipes out the gain from lowering the Global Mission Fund. The Global Mission fund was going to be about \$50,000 lower, but they are going to have to raise an extra \$50,000 to apply to last year's debt, so the gain there was wiped out. However, this year the program account is sent to them so they do not have to raise that \$30-35,000 a year, which totals roughly \$350,000 which they do not have to raise.

This year's budget compared to last year's is still headed toward a \$200,000 debt, which means that you have to subtract that from the \$330,000 they gained. They need an extra \$200,000 just to break even, so the actual gain for this year to break even is only \$150,000. That still seems like a lot of money until you break it down by Houses. One of the images we had was that we wanted to

release a person in each House. Dividing it by 53 Houses or roughly 50 Houses comes to \$2600 a year. If you divide that by 11 months, it is \$235 a month per House of actual relief, on the average. In an area you would obviously adjust in terms of who and where people work in and out. The actual relief is going to come as a disappointment, I suspect. I suppose that is one of the things we have learned this year: for a revolutionary to say that finances is not a problem is not the same as saying finances are taking care of themselves (and a number of us in our personal finances as well have discovered that there is a hard reality that you deal with there). Finances do not take care of themselves; if they do not get handled they can eat you up. Anyway, that is the kind of relief that is there.

Those two shifts, the Global Mission Fund and the Program Account are the major shifts. What I have done is trace through the net effect on an average House budget. Now turn for a minute to the trust fund. The trust funds are the ones that deal with the security for the future of the Order. The first is the annuity fund. We do not make draws on that because we do not know what it is all about. It just seems like it makes good sense to be doing something about annuity. My image of that is that the first withdrawal out of the annuity fund will be for rocking chairs. I will never forget at the end of a weekend PSU someone had the nerve to say "When we have elders we can use the structures of society and put them in a county home." Well, I'm not going to go! Hence, the annuity fund.

Second is the health fund. It consumes the largest percent of the total. That health fund now is at 32% of the \$84, to maintain health and dental coverage. We overspent it this year. We are going to have to readjust the percentages for next year's operations to add to that. It is our recommendation in Global Finance that the time has come to pick up some of the expenses that are not covered by our health policy, and this is the first move toward a kind of self-insurance program. Rather than raising the policy and getting a huge increase in the premium, we will just pick up the extra that is not covered, in the two main areas of the hospital daily room charge of \$60 (there is not a hospital room in Chicago that is \$60 a day) and having babies which seems to go over our \$500 limit but not by much. We are stewing around in that arena, but it will mean we are going to have to raise the percentage that goes into the fund.

We have very practically become global, so that we can not be just stewing in North America. We do know that in North America alone last year the amount that 42 Order families had to pay over and above their health coverage was \$6000. But a model has to be a global model and it takes a while to make decisions about a global model.

The education fund is now defined as covering college education for our children; in principle each youth is given a \$6000 trust fund for education purposes. This is another problem with going global and needs to be looked at. When we begin to deploy families to certain areas around this globe, public education is not available. If elementary children are over there, the only way to get them educated is to go into some kind of private school. This means that we need to take another look at the education fund, and that raises a whole gamut of other decisions that have to be made. However, the education fund is in good shape. This fund is 25% and it now contains over a million dollars.

Fourth is the culture fund. It just accumulates. We have always thought that that fund would finance or undergird at least in part a council such as we are thinking about having next year. Whether or not we would really want to withdraw that fund or build another system to support Global Council '76 is another question.

These trust funds are two-thirds of the \$84 and the task funds are one third. The task funds include Program, House Reserve, Order Travel, and Global Council, the same categories as the Mission budget of the House but quite apart from it.

The net worth of the Order at this moment is \$2,211,830, half of which is owed to us but which we could get tomorrow if we had to. The other million is in the National Boulevard Bank in the Investment Program.

In conclusion it is amazing to us in Global Finance how obvious it is when the House books are being loved. You get fine deposit slips that add up right, and are not crumpled up, and some of them are even typed. It is no accident that you can discern by the way things come in from a House the kind of intentional care that is being given to that House's finances, but it does seem to make a difference in their condition at the end of the year. Here are ten "do's" for the Religious House bookkeeper:

1. Always say yes before saying no. "No" and keeping the books go together like love and marriage.
2. Reconcile your bank statements. One penny out covers a multitude of dumdums.
3. Be a pharisee on bookkeeping and mailing timelines. It helps you maintain your own sanity, to say nothing of the House.
4. Keep a systematic set of files. Records and checks under the mattress get awfully wrinkled.
5. Secure back-up receipts for all cash expenditures - IRS agents are as scary as big black wolves. The Chicago House, because they get a grant, have to have their books audited, and this is going to be true for all Houses that get grants; a new intensification of back-up records is required. They passed the audit with flying colors and the preschool was only in a deficit position of \$3000 which is a cause for cheering.
6. Make all decision in a global context. Before you know it, it is you, your cat and your canary.
7. Remember that a penny saved is a penny earned. Granmother's wisdom is often wisdom.
8. Call centrum for explanation on month report data that is not in accord with your records. Even the bank and centrum may be wrong.
9. Ground the mendicant image in your own style. Put your money where your preaching is.
10. Educate the House imaginally that the economic is not a tyrant. There are no personal or corporate problems, just situations to be resolved.

--Bruce Bauknight

--Lyn Mathews