

## WORKING PAPERS

### REVISION OF THE WORKING PAPER "THE FINANCIAL NEEDS OF THE HOUSES OF THE ORDER"

(Revision requested by Central Commission, Roscrea, 2016, p 23-24, vote 37)

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#### The financial needs of the houses of the Order

This working paper is basically the same as the one prepared for the General Chapter of 2014, that could not be sufficiently studied at that Chapter, for lack of time. A section was added to it concerning the suppression of monasteries.

The object of this working paper is to treat of the "financial needs" of the houses of our Order. It will thus be a question, initially, of describing these financial needs and of explaining their existence. We will then ask as to how and up to what point the houses of the Order meet their own financial needs. We will finally try to find how it is possible to organize solidarity allowing the communities to help each other in this field. Moreover, the title limits the study to the financial needs *of the houses* of the Order and not of those of the Order as a whole.

#### **A - What does one understand by "financial needs"?**

Whoever speaks about finance speaks about money. We are speaking about money requirements. We are not going to deal here with all the questions related to the *economic* management of our communities.

If a monastery could live in full independence, it would have no need for money. It would produce all that it needs, without having to buy or to sell anything. This situation is certainly nowadays pure utopia. It could be possible for a group to produce all the food that it needs. To make all its clothing would be more difficult! Unless living in a primitive situation in the extreme, one will always need money to buy essential things that one could not produce on the spot.

In any event, monks, since the beginning of monasticism, manufactured objects that they sold (for example plaited baskets and wicker baskets, as in the deserts of Egypt in the 4th century) in order to be able to buy books and to meet their other essential needs. The first Cistercians, giving up living out of feudal tithes and other rights of the kind, and developing great extents of land made a very wide use of trade.

We cannot escape from it.

#### **B - What are our financial needs?**

Let us ask, initially, as to what are the financial requirements of a monastic community nowadays.

The most fundamental physical need is food. A community will always have to buy some of its food, even if certain communities can cultivate a good part of what they eat. Even these communities will need money to buy seeds, fertilisers (if they are not completely “organic”), as well as tools sometimes very expensive (like tractors) to cultivate the land.

One will need to build the monastery, in the case of a foundation and, in all cases, to maintain in good condition the one wherein they live. Nowadays, the setting of standards for kitchens and for the security systems against fire can require a lot of money.

Whatever the source of the income of the community, whether it be of an agricultural nature or that of a small industry or simply the production of handicrafts, the financial needs for the purchase of tools for work will always be considerable.

Health care, the purchase of drugs and the care of the elderly, especially if they are invalid can be very considerable. The liturgical life will require the purchase of liturgical books. The requirements of the *lectio divina* and that of ongoing formation will require the purchase of books of all kinds.

Finally, in the current world, it is not possible to avoid having some means of transport. And if one does not have any, it will be necessary to spend the equivalent in travelling expenses. And, of course, one should not forget to provide oneself with good insurances (health, fire, civil responsibility, cars, etc).

The following question will be then: how does one get the money necessary for the life of the community and for meeting all these needs?

### **C - What are the financial resources of our communities?**

The most traditional and most normal way to get money in order to be able to buy the objects that one needs, is to sell objects that oneself has cultivated, manufactured or transformed. In the past, at least for the monasteries of monks, the main financial resources came from agriculture. Nowadays, we usually has resort to some craft, or to an industry, small or of average size. As for agriculture, where it was maintained, it took on industrial dimensions and often requires enormous investments in machinery.

None of these sources of income is simple to manage and each one raises questions proper to itself.

One could produce something already largely present on the market. One would then be only able to compete by maintaining high standards of quality and a very professional outlook. The profit margin would be tiny and it would be necessary to produce large quantities in order to have a sufficient income. The industry would be quite easily forced to make large quantities, even only to survive.

Or one may choose to offer exclusive products of a very high quality. One would be able to make a considerable profit margin on these products and so limit the production, especially if there is a trade mark known for a long time. But one would then appeal to a privileged class of the population, able to afford things at these prices. This would some ethical question.

One could also make small craft products pf lesser value, artistic or other, that the visitors could easily buy at the monastic shop, in order to help the monks or nuns. Perhaps, in these cases, it should be considered that one lives out of charity rather than from one’s work.

Even if this is something little exploited in our Order, one could also resort to service sales, all the more so since the service sector is one of the most important in contemporary economy. It could be, for example, an accountancy department put at the disposal of small industries of the area, or a service for encoding documents, if one is close to a university town, or a service for the translation of texts.

A significant and extremely profitable service could be the management of a small company giving employment to workers of the area and creating with the local population a synergy of which one could easily find a model in the management of the large Cistercian domains during the first centuries of our Order.

Our Constitutions and our document on Temporal Administration require of us to have reserves capable of meeting our needs for a few years in the event of difficulties. The good management of these reserves is another source of income. Such a management cannot however be made lightly, if one does not wish to endanger one's reserves and if one wishes to respect financial ethics.

To these various sources of income can be added pensions and alms. Where pensions correspond to a right acquired for having worked during a certain number of years and for having paid the contributions required by the law, these pensions can be regarded as "differed wages". Where they are given automatically to all, after a certain age, they should rather be regarded as gifts.

The following question consists in asking as to up to what point the communities of our Order succeed in meeting their needs with the financial resources they have.

#### **D - Are the financial resources of our communities sufficient?**

To the 2014 Working Paper was attached a questionnaire. The hope was that the answers to that questionnaire would bring some light for the reflexion on that subject within each community as well as at the Regional Conferences and at the General Chapter. Although the number of answers sent to the redactors of the paper was not such as to permit an elaborated scientific analysis of the situation, they were certainly instructive. A synthesis of them was given to the Plenary Assembly in 2014, before the very brief exchange in commissions. Here is the text of that communication, as it appears in the Minutes of the General Chapter (section 21, page 151) :

The first question deals with the source of revenues for the community. Since we didn't give a list of categories, the replies were very, very diversified :

A rather important number of communities, especially from Europe have pensions as revenue. That happens somewhat less frequently outside of Europe. A few monasteries make a living from agriculture; there are some but they are the exception; agriculture is still a source of revenue but only a small percentage. Guesthouses are not a source of revenue for anyone; for some it is 10 to 15 %, for others nothing. Rather it is considered as a service. We are not mendicants, so gifts represent a very small portion of our resources for most monasteries. The principal source of revenue for many of our monasteries comes from a small industry, a shop, the work of the monks and nuns. That represents 30 to 40% of the revenue.

The question that we found the most interesting was: do the revenues of your work cover all your essential needs? Do they allow you to meet extraordinary needs? Some or all of them? By "extraordinary needs" we mean, replacing the roof of the monastery, a boiler, conforming to fire regulations. There are a few monasteries that are not able to cover their essential needs. Most, almost the all of those who replied, said that they are able to cover their essential needs, and some can cover extraordinary needs and give help to other communities. No one said that their monastery is able to cover all its extraordinary needs.

The third question focuses on reserves. In the Constitutions, concerning the Statute “Material Administration,” it is foreseen that, normally, one should try to have reserves that would allow us to live for a few years in case our sources of revenues should stop for one reason or another. Most of the communities who replied have reserves that would, according to their calculations, allow them to live for a year sometimes less: 3 months, 6 months, and 9 months. Some have revenues that would permit them to live, according to their calculations, 5, 6, or 8 years. One community told us that they could live for 25 years, doubtless, they have a good portfolio!

These are numbers that can enlighten us. I don't think that one could analyze these statistics scientifically because they are not complete

One can obviously wonder why a large majority of communities do not arrive at total self-sufficiency and why a good number have a recurring need for outside assistance.

First, there are situations where the regional economic context, often due to wars, makes the self-sufficiency of a community practically impossible. The monks or nuns may produce quality articles, but no one in the area has the necessary resources to buy these goods. It is currently the case in several African countries. The challenge for these communities is to find a good balance between sharing the precariousness that the people around experience and their recourse to other monasteries of the Order for their essential needs, in particular for formation.

In many communities, worldwide, the problem is that of a lack of rigorous management, which is often the consequence of the reduction in membership. However, in these difficult economic times, no company small or big can survive without a great rigor in management. It is often thought that by manufacturing such and such a product one will make a lot of money. Actually, it is good management which makes a company profitable, whatever the product manufactured. No company “automatically” gives good results! And before launching out in a new economic activity, it is essential to study its profitability !

It happens for example that monasteries continue to offer products that provided for the subsistence of the community in the past, but which no longer meet the current market needs. In some cases those products have a production cost that does not allow them to compete which manufacturers who produce the same products in mass quantities at prices much lower than their own cost price.

## **E - How to help each other in this situation?**

Our Fathers of Cîteaux, at the time of the drafting of the *Charter of Charity*, had the genius to set up a system of solidarity between the monasteries of the Order not only respecting, but also ensuring the autonomy of each community. This tradition is an aspect of our Cistercian patrimony which we must preserve for the future generations, even if it is often endangered or questioned nowadays. It is too easily thought that when a person or a community needs assistance in one field or another, it is no longer autonomous or is less so. The purpose of the solidarity required by the *Charter of Charity* was precisely to ensure the maintenance of the full autonomy of the community or the person in need.

Throughout the centuries, solidarity between the Cistercian monasteries was played out in many fields. It has often happened, throughout history, that a community has sought an abbot or an abbess from one of its daughter houses or from another monastery of the Order, without that establishing any bond of dependence between the two communities. Sometimes it was a cellarer, or a master of novices who was sent or who was borrowed.

Most communities having made foundations are able to look after these and to help them with material goods and personnel, even after these communities have reached the statute of autonomy. In general, when they cannot do it with their own resources, they assume the responsibility of finding the assistance elsewhere.

There remains however, as was explained above, the fact that more and more communities of the Order are forced to call on other communities, either each time a somewhat extraordinary need presents itself, or even simply to meet their everyday needs. Until the recent past all the requests were made directly, from one community to another.

The main difficulty encountered by the more frequently solicited communities, was that, in many cases, they knew that a simple cash donation would not solve the problem. To really help, it would be necessary to be able to analyse the entire material situation of the applicant community and to offer an audit or advice in management rather than a simple hand out of money. But an individual community can hardly allow itself to be so intrusive in the life of another. This is why a Commission of Aid was created by the General Chapter of 2002.

The first function entrusted to this Commission of Aid was precisely to analyse the requests for assistance presented to some communities and to give its opinion to these communities. It is indeed easier for a Commission elected for this purpose by the General Chapter to ask an applicant community for more information, to analyse the financial reports of the last few years, the state of the treasury and debt, etc.

However it happened that at the same General Chapter, after having created this Commission of Aid with the mandate which we have just described, it was also decided to create a Mutual Assistance Fund, and the management of this Mutual Assistance Fund was entrusted to the same Commission. The consequence was that, for most people of the Order, the goal of this Commission was simply to fairly distribute the money deposited in this Mutual Assistance Fund. That was not, however, the primary task of the aforesaid Commission.

The goal of this Mutual Assistance Fund was to allow all the communities to deposit there either large sums or the mite of the widow, according to their capacities. The fact is that only a minority of the communities contribute to this Fund - and a minority which continues to decrease. The entire sum deposited there makes it possible to answer only a rather limited number of requests for assistance submitted to the same Commission. Is it worthwhile to maintain this Mutual Assistance Fund that, in the end, implies complex procedures

of transfer of funds and thus a multiplication of expenses? If it thought good to maintain it, it would undoubtedly be necessary to sensitize all the communities to the need to contribute to it, each one according to its capability.

What had initially been proposed in the General Chapter of 2002 was the creation of a fund the income of which could be used to help the monasteries of the Order. The constitution of such a fund was not accepted by the Chapter, and the creation of a Mutual Aid Fund whose management was entrusted to the Commission of Aid that had been elected shortly before was an alternative solution. What militated then against the constitution of such a permanent fund was that in order to have the sufficient annual incomes to meet the needs of the communities, one would have needed a very substantial fund of several million euros or dollars, which the Order was not really in a position to create. Moreover, one such funds required professional managers which the Order does not have.

Perhaps could one find inspiration in some regions by what is done in France by the *La Fondation des Monastères (Foundation of Monasteries)*, which receives legacies and other donations, in the name of all the monasteries of the country and which offers a certain number of specialised services to the communities.

Apart from this possibility of resorting to services outside the Order, the question always remains: how to better manage the mutual aid between the communities of the Order in the economic domain? In the recent past, especially in certain regions, synergies were developed between the communities in many fields, especially with regard to liturgy and formation. Apart from meetings of cellarers in some countries, however, little was done to develop synergies in the field of work as well as in the economic and financial management of our communities -- and yet, a balance between the spiritual life and work is an essential characteristic of our Benedictine-Cistercian monastic life.

## **F - Synergies**

Pope Francis in several of his interventions, underlined the evil character of the international economic system which creates poverty while generating the wasting of the natural and human resources. We must avoid becoming too easily dependent on this system and perhaps we must work with others at the discovery and the realization of alternative solutions.

Nowadays, it has become difficult for a community to live solely from agriculture or from a craft industry with the exception of small communities. Our communities in general seek their resources from a small industry. However the cost of machinery, nowadays, is such that any industry, even a small one, requires investments that are sometimes disproportionate with the sales turnover and even more so with regard to the number of people who work in that industry. Doesn't one sometimes make investments without taking account of the future of the community?

It is not rare that communities, in order to buy instruments for work, ask for sums of money that a normal calculation of "Return On Investment" (ROI), in the "real world" of the economy, would demonstrate as completely disproportionate, non-profitable and not justified. In the current difficult situation of the economy in almost all our countries, such investments pose an ethical question. It is not easily justifiable to invest great sums of money in sophisticated instruments of work which will work only up to 10% or 20% of their capacity when there is such an amount of unemployment around us. Would it not be more reasonable to seek a greater co-operation between the monasteries of the same region (or even of

various regions) manufacturing similar products? The same synergy could also be established with local companies. (For example: subcontracting the manufacturing of cheese for communities which limit themselves to the refining process).

Our Constitutions (*Foreword, 1*) remind us that the spiritual patrimony that we have received from monks and nuns who preceded us in the Cistercian way of life found its expression not only in their writings, chant, architecture and art, but also in the healthy management of their lands. It is important to develop this aspect of work essential to the balance of all the other aspects.

If the first Cistercians could, in a few generations, build a large number of superb abbeys, and if they could nourish crowds of monks and lay brothers who had come to populate these abbeys; and if they could answer all their material needs, it was because they knew how to establish an impressive network of synergies. Each monastery that had a large number of members, especially lay brothers, had several granges, whose system and effective management changed the agricultural face of Europe.

In the same way, nowadays, except for very particular local conditions, the economy of an abbey cannot survive and remain profitable without inserting itself within the economic context of the immediate area and of the country. Much remains to be done in this field. Today's communities do not have laybrothers to ensure that work be done. The same people must assume all the work, except in the communities that manage an important and well developed industry with a large number of hired workers.

For most of our communities there exists a delicate balance between:

- An investment appropriate and corresponding to the production.
- A balance of work allowing time for the Divine Office, *Lectio* and prayer.

Several of our communities inherited material structures that have become a burden for a more reduced number of members. Some found creative solutions in the reorganization of their buildings and the reconversion of their property. These experiments ought to be shared. The communities which have inherited buildings which are architectural treasures must discover how to continue a normal monastic life without being overwhelmed by these structures and establish with the civil authorities a collaboration in the maintenance and the management of the historical part. Here also, various experiments ought to be shared.

## **G -- closing of a monastery**

There is a legitimate preoccupation concerning the material goods – especially the buildings – of the communities that need to close and that do not have the necessary expertise for managing such a situation. In some cases those buildings have been declared “cultural patrimony”, and can be a temptation for the civil Administration. In other cases, they may have been the object of a “pious donation” or the diocese where they are situated may have an interest in those buildings not being sold, so that they may remain as part of the good of the same dioceses, being “ecclesiastical goods”.

It is true that the goods of the religious communities are “ecclesiastical goods”, and must therefore be used for the works of evangelization and of charity of the Church.

However, it does not mean that the acquired rights of its members disappear when a monastery is closed. It is necessary to attend to the needs of the Order to which they belong as well as to the communities that will receive the members of the suppressed community.

Of course, every case is different and therefore needs a different treatment.

Sometimes the building are not very attractive. In other cases, they do not have a great cultural or ecclesiastic interest, but can bring benefices, thanks to their location. In some places there is a new religious community that can take over. In some cases there is a good understanding between all the parties. There are also situations where important economic exploitations operated by lay people for the monastic community. Etc.

**Criteria that must be taken into account**

*CIC, c. 616 §1 : The institute's own law is to make provision for the disposal of the goods of the suppressed house, with due regard for the wishes of founders or benefactors and for lawfully acquired rights*

*CIC, c. 123 : On the extinction of a public juridical person, the arrangements for its patrimonial goods and rights, and for its liabilities, are determined by law and the statutes. If these do not deal with the matter, the arrangements devolve upon the next higher juridical person*



**That implies the need for a legislation in this regard.**

- Taking into account the desires and the rights of the community that is being closed, concerning the disposition of its goods.
- Taking into account the moral right of the communities that receive the brothers or sisters of a closed monastery to receive a part of the goods of the monastery.
- Indicating a percentage of these goods to be given to the Order (Fund for mutual help? ) so as to be able to help other communities in difficulties.
- Taking into account the possible obligations originating from the act of foundation or from the will of donators (cf. c. 1300 and 1304). Checking whether there are still some obligations originating from the foundation.
- Listening to the local bishop and to the proposals he may have to make, taking into account the needs of the diocese, even if he does not have rights on the monastery.
- Being attentive to the situation of the place where the monastery to be closed is located and that of the local people.
- Clarifying the right of supervision and of assessment of the Order when one thinks of giving away the ownership or the use of the monastery to a Church institution, without waiting to the last moment to do so.
- It is important to have the greatest possible clarity concerning:
  - o the titles of ownership of all the buildings
  - o the titles of ownership of the land
  - o the patrimonial rights of the State, especially in the case when a good was declared of "cultural interest".

In all the situations, the commission for the closing of the monastery must be attentive to apply this to-be-developed legislation.

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