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August 30th 2021

TO:
PROVINCIAL TREASURERS,
SECTOR TREASURERS,
BURSARS OF FORMATION HOUSES

2022 budgets : Cautiously Optimistic

Dear Confreres,

There is time for everything, to everything there is a season...(Ecc 3,1). In the midst of the mutable Covid situation, we are invited to start the budget preparation for 2022. We started the year 2021 with persisting distress and apprehension from the 2020 Covid expected impact. As mentioned in 2021 budget letter by the end of March 2020, we had “lost” a significant amount of our investments (which with time is becoming a significant source of our income). To our surprise, we finished the financial year 2020 on a positive note (as per Society Consolidated Reports done in May 2021). One could ask how possible was this? Many companies have closed down, many people have lost jobs, we have seen our own family members struggling, nevertheless we are somehow saved from the negative impact. While we should thank God, we need to know that it was not all by chance!

On one hand we should ever be grateful to our confreres and benefactors who granted their legacies which amounted to 42.82% more than expected. We pray for them. Nevertheless, we know that legacies do not come twice from same person just as we cannot step on the same river twice. On the other hand I would like to draw your attention to another important aspect which contributed to such positive results: if the investment and legacies contributed to the rather positive outlook, the efforts made by each Province, Sector, formation house, community; to cut down the expenses was a significant contributing factor. We spent 86% of the ordinary budget and 87% of the total budget (extraordinary budget included) respectively. This is a substantial reduction. An additional factor is the awareness and the positive response to the Covid reflection letter sent to all by the Treasurer General. Furthermore the 5% ceiling on the ordinary expenses proved effective.

One could argue that spending less was the outcome of doing or travelling less. That could be true; however, we still ate, went to hospital and even in some cases price hike doubled or even

tripled. As a result it is important to underline that the best remedy to our overstretched finances is to reduce our expenses. This has been a challenge over the years. Covid has taught us that it is possible to seek other ways to cut down expenses; meetings via video conferences may have to become a norm even after Covid. It is therefore imperative to be cautiously optimistic as we prepare the 2022 budgets. Covid impact is far from over. Over the course of the months volatility is generally viewed. We must remain cautious as the pandemic is going on and its full effects are still uncertain. The rise of different variants of Covid continues to be a concern. The spread of Covid is continuing to have a notable impact on investment performance over the past 15 months or so. Therefore as we embark into the budget exercise let us have in mind similar feelings; seeking to reduce further our expenses and increase our incomes while being cautiously optimistic.

With regards to practical matters:

1. Pension contributions to be paid (Concerns the African Provinces, SOA and Mexico): the yearly contribution to be paid into the pension fund for 2022 is €1,583 per confrere.
2. Pensions to be received from the M. Afr Pension Fund (concerns EAP, and Italy): €7,917 for the whole year.
3. EMI: I am unable to tell you by what margin these contributions will be increased in 2022. Kindly refer to the trend over the past two years and make your own adjustments.
4. Income from Foundations: Marison and Léon Livinhac (concerns the African Provinces) I suggest that you maintain 2020 figure
5. Please note that the Financial Council of the Society decided in July 2020 that the ordinary expenses of the budget should not exceed 5% of the actual ordinary expenses realized in the penultima year in this case 2020. Please take it into consideration!
6. We are still in the Covid situation, hence, think twice before budgeting for any sessions
7. Formation house budgets : Make sure your budgets pass through Provincial Financial Council before you send them to the Treasurer General
8. Provincial Treasurers, inform formation houses the dates of your Financial Councils
9. Kindly ensure that you use the revised templates when sending your budget.
10. Be informed that means of transport for newly ordained/oath has been discontinued.
11. **Finally, the deadline for the submission of your consolidated budgets to the TG is Sunday the 21st of November 2021.**

Thanks for your usual collaboration.

Fraternally,



John Itaru
Treasurer General