

192 3335

UBCHEA ARCHIVES
COLLEGE FILES
RG 11

Nanking
Admin.
Board of Managers
1921-1922

THE EIGHTEENTH MEETING OF THE BOARD OF MANAGERS OF
THE UNIVERSITY OF NANKING. 13 October 1921.



The eighteenth meeting of the Board of Managers of the University of Nanking was held on the thirteenth of October 1921 at nine o'clock in room C 7 Severance Hall.

Those present were as follows: President A. J. Bowen, L. J. Birney, Chang Po-ling, Harry Clemons (for P. W. Kwoh), E. H. Cressy, F. D. Gamewell, C. H. Hamilton, Thomas F. Holgate (for J. C. Ferguson), K. S. Liu, E. C. Lobenstine (ex officio), L. J. Owens, Treasurer of the University, P. F. Price (for M. P. Young), S. J. Mills, J. T. Proctor, H. F. Rowe, G. W. Sarvis (for Frank Garrett), F. J. White, J. E. Williams, W. F. Wilson.

In addition to the members of the Board the following were present on invitation and were asked to take part in the discussions: Dr. A. C. Hutcheson, of the University Hospital; Dr. J. W. Lowrie, Chairman of the China Council, Northern Presbyterian Missions in China; Mr. James M. Speers, of New York City, member of the Northern Presbyterian Board of Foreign Missions.

Dr. Lowrie led in prayer.

The President then welcomed the above visitors to the meeting of the Board of Managers.

The minutes of the last meeting of the Board of Managers, having been circulated, were accepted as read.

The minutes of the last meeting of the Board of Trustees had also been circulated but Dr. Williams was asked to give a resume of the same that we might have before us a general idea of their actions.

In order to get before the Board of Managers the most important matter of the present meeting President Bowen made a statement in regard to the financial situation of the University (See Exhibit A)

Dr. Williams then made an additional statement.

President Bowen gave the following figures to show the great increase since 1912:

	<u>1912</u>	<u>1921</u>	<u>Increase</u>
College enrolment	56	300	434%
Chinese Staff	20	64 (8 ret. (students	220%
Foreign Staff supported by the University	3	17	466%
Foreign Staff supported by Mission Boards	14	17	21%
Board Grants	\$3,000	\$3,000	

On account of this great increase in development, with no corresponding increase in the gifts of the Board for running expenses and on account of war exchanges the University faces an

accumulated debt of about \$80,000.

Mr. E. C. Lobenstine, Chairman of the Finance Committee, presented a general statement of the Budget of the University for the coming year, showing a probable deficit of \$17,000 (See Exhibit B) The following then took part in the discussion: E. H. Cressy, F. J. White, L. J. Birney, F. D. Gamewell, Chang Po-ling, James M. Speers, K. S. Liu, G. W. Sarvis, S. J. Mills, J. T. Proctor, J. E. Williams, A. J. Bowen.

On Motion this Budget of the University for 1921-1922, with a probable deficit of \$17,000 Mex., as presented to the Board of Managers, was passed.

On motion of Dr. J. T. Proctor it was voted that the Board of Managers, through the cooperating Missions, request the Board of Trustees to ask the four co-operating Mission Boards to increase the total annual grant by \$16,000 Mex., the amount of increase to be made by each Mission Board to be determined by the Board of Trustees on the basis of a statement to be prepared by the Executive Committee of the Board of Managers, suggesting a pro rata basis of distribution.

The meeting then adjourned until 2:15 P. M. *2:15 P. M.*

AFTERNOON SESSION

The meeting was called to order at 2:15 P. M. *total 350,000*

Mr. James M. Speers led in prayer.

On motion of Mr. E. C. Lobenstine, it was voted that the Board of Managers ask the Boards, through the cooperating Missions, to make a grant of \$79,905 Mex. to cover an accumulated indebtedness due to building operations, the purchase of land and equipment, and similar needed transactions during the past three years, one quarter of the total sum from each of the Mission Boards. It was voted that these sums be provided in each case, either by direct grant from the Boards themselves, or raised by special effort as seems most practical in the case of each Board.

After a statement by President Bowen of the work to be done in connection with the whole situation that our development has raised and of the urgent need that our Boards and home constituency thoroughly understand the present condition of the University, it was suggested by President Bowen that Vice President Williams be appointed Executive Secretary of the Board of Managers, and that it be recommended to the Board of Trustees that they also appoint him as Executive Secretary of the Board of Trustees.

On motion of Mr. Sarvis, this was so voted.

On motion of Dr. Proctor, it was voted that Dr. Williams, Executive Secretary of the Board of Managers, be requested to return to America in the near future to present the needs of the University for staff, plant, and equipment to the cooperating Boards and their constituencies, with the strong request that the cooperating Boards take definite steps to assume responsibility

3

for meeting these needs either by making grants from Board funds or by opening their constituencies for appeals for funds with the assurance that Dr. Williams, the representative of the University, will be given the aid and cooperation required to secure that the constituency of each cooperating Board be adequately represented in meeting this list of minimum needs for the immediate future, it being understood that Mr. Keen will cooperate with Dr. Williams in securing funds for the Language School dormitories.

The needs of chief importance are as follows:

- | | |
|--|--------------------------------|
| 1. Two dormitories for Language School Students, | 100,000 20,000 Mex. |
| 2. Five residences for returned students, | 20,000 |
| 3. Contingent funds for purchase of land and equipment, | 20,000 ✓ |
| 4. Three dormitories and equipment for college students, | 75,000 |
| 5. School of Commerce and courses in Business Administration provided by Alumni Assn., | 50,000 ✓ |

In addition to these imperative and immediate needs the following are also greatly needed:

- | | |
|---|-----------|
| 1. Sericulture Building, | \$ 30,000 |
| 2. Science Building (Agriculture and Forestry), | 90,000 |
| 3. Library Building, | 120,000 |
| 4. Electric Light and Water Plant, | 50,000 |
| 5. Gymnasium for Middle and Primary Schools, | 8,000 |
| 6. Gymnasium for University, | 50,000 |

On motion of Dr. Williams, it was voted that funds specially given and designated for property and equipment be placed in a special fixed deposit to accumulate interest for the purpose designated. Also that in the future such funds be placed in the Hongkong and Shanghai Bank or the Asia Banking Corporation.

Dr. A. C. Hutcheson presented the budget of the Hospital and, from the medical side, showed how the Boards had received medical care for all their missionaries in Nanking in recent years. He further showed that this care has cost too little because not all the Boards have provided doctors for the Hospital. (See Exhibit C.)

On Motion, the Budget of the University Hospital for 1921-1922, as presented to the Board of Managers, was passed.

On motion of Dr. Williams, it was voted to request the Boards that, in case they were unable to provide a doctor for the Hospital, they should provide in place of the doctor \$2,200 Gold annually until a doctor is provided.

The Budget of the Language School was then presented.

Dr. F. J. White moved that the fees of students from non-participating Missions be raised from \$200, as they are at present, to \$250. After some discussion, on motion of Bishop Birney, it was voted that no action be taken at this time.

On motion of Mr. Sarvis, the Language School Budget for the year 1921-1922 was approved. (See Exhibit D.)

On motion of Mr. E. H. Cressy, it was voted that the committee appointed by the Association of Colleges and Universities (Messrs. Bowen, White, and Nance) present to the Educational Commission the whole problem of the financing of large educational institutions.

Under announcements, President Bowen announced the action taken by the Board of Education in registering the College of Agriculture and Forestry.

The question was raised as to the changing from required to elective religious exercises in the school. It was stated by President Bowen that the requirement of the Board was not known when application was made for registration and that as long as the Board held to this requirement, the University would not seek further for registration.

Under unfinished business, President Bowen asked that the following members be added to our faculty: Messrs. Leonard Hathaway Caldwell, Chang Chwan-ching, Chang Shi-yu, Chen Ching-chang, Chen Kwei-chi, Charles Shelby Gibbs, Hoh Hsi, Thomas Franklin Holgate, Hsu Chi-fang, Ip Nga-kok, Keh Ching-chung, Ku Ying, Albert Newton Steward, Ting Tso-chen, James Winfield Walker, and Misses Katharine Howes Wead, Elsie May Priest, Marie Jane Dorland and Vista Claiborn Black to the Colleges; Mr. Clarence Edwin Akerstrom and Miss Marguerite Sloan to the School of Business Administration; Messrs. Hu Lung-hwa, Ih Shu-ting, Leng Pao-seng, Shi Shu-tung, and Misses Celia Margaret Carr, Chen Shen-wan, Eleanor Holgate and Vesta Milbrae Mawe to the Primary and Secondary Group. (For notes regarding these members of the faculty, see Exhibit E.)

In regard to the conferring of Honorary and Post-Graduate Degrees, President Bowen reported progress, but that no final action had been taken by the Regents up to date.

Under the head of Reports of Standing Committees, Mr. W. F. Wilson reported for the Building and Property Committee.

On motion, the report was accepted. (See Exhibit F.)

On motion, the meeting then adjourned until 8 P. M.

EVENING SESSION

Meeting was called to order at 8 P. M.

Dr. T. F. Holgate led in prayer.

The Reports of Standing Committees were continued.

Dr. A. C. Hitcheson reported for the Hospital Committee, which, on motion, was accepted. (See Exhibit G.)

It was moved by Dr. Williams that a small committee be appointed by the Board of Managers to prepare, in cooperation with a committee of the faculty, a report on the whole question of the organization and coordination of the work of the faculty, executive officers, and Board of Managers.

The following committee was then appointed: Dr. T. F. Folgate, Chairman, Bishop L. J. Birney, and Dr. J. T. White.

The report of the Language School was presented by Mr. W. F. Wilson and, upon motion, was accepted. (See Exhibit H.)

On motion, Messrs. W. F. Wilson, Harry Clemons, and J. E. Williams were appointed a committee to edit the minutes.

The following standing committees were elected for 1921-1922:

Executive Committee: Messrs. Bowen (Chairman), Gamewell, Garrett, Hamilton, Kuo, Mills, Owen, Paul, Proctor, Wang, Williams, Wilson, Young.

Building and Property Committee: Messrs. Small (Chairman), Bowen, Marx, Thomson, Williams, Wilson.

Finance Committee: Messrs. Lobenstine (Chairman) Bowen, Gamewell, Owen, Proctor, Williams.

Hospital Committee: Messrs. Hutcheson (Chairman), Bowen, Sarvis, Williams (Thomson, alternate).

Language School Committee: Messrs. Wilson (Chairman), Bowen, Clemons, Keen, Nance, Proctor, Williams.

After prayer by Mr. E. C. Lobenstine, the meeting adjourned sine die.

W. F. Wilson, Secretary

Exhibit A.

OUR PRESENT FINANCIAL CONDITION

We need a brief and clear statement that will apprise you of our present situation and the reasons therefor.

During the past four or five years we have spent on unbudgeted items that have not yet been met not less than \$80,000 Mexican - thousands of dollars of unbudgeted items have been met and paid, but this \$80,000 represents actual indebtedness to-day and is for the following items:

Land purchases			\$11,662
Buildings:	Language School	\$ 2,774	
	Swasey Hall	5,546	
	Severance Hall	16,324	
	Houses for Staff	<u>5,988</u>	30,632
Equipment:	Biology and Botany	2,869	
	Chemistry	11,962	
	Furniture, Office, Elec- trical and general	<u>15,307</u>	30,138
Cotton and Agri. Incidentals			1,344
Travel of Staff in U. S.			2,000
Suwan School Board			1,301
Miscellaneous:	Staff loans	911	
	Book Store	452	
	Grounds	691	
	Magazines	403	
	Diplomas	<u>471</u>	
			<u>2,928</u>
			\$79,905

The question arises, of course, - "How has this large indebtedness occurred"?

With the exception of four Board supported teachers added from 1920, we have been getting practically the same Board support for staff and current expenses that we received in 1912. Then we had 56 college students and now we have 300; then we had 20 Chinese and 17 foreigners on our paid staff, 14 of whom were Board supported; now we have 64 Chinese, of whom 8 are returned students, and 34 foreigners on our staff, exclusive of language school and hospital staffs, of whom 17 are Board supported. That is, the University is now carrying 44 more Chinese and 13 more foreigners on its staff than in 1912, with practically the same Board grants. In 1912 we had above Middle School, only the Arts College; now we have a very much expanded College of Arts and Science, a College of Agriculture and Forestry; a Junior College, giving somewhat differentiated work in Agriculture and Forestry, Arts and Science, Education, Business Administration, and Medicine. In addition we have the Language School and the Hospital.

In 1912 we had 2,000 English and Chinese books, whereas, on June 30, 1921, we had 17,430 books and 13,540 pamphlets. During this period our campus and owned land has increased from, say, 13 acres to approximately 140 acres, all of which is fully utilized, together with 150 mu in addition, rented. All of the present College and Language School buildings have been added, besides two hospital buildings, 15 foreign staff houses and 6 Chinese staff houses. Our assets to-day in land, buildings, endowment and equip-

ment, are fully \$1,200,000 Mexican, which is over five times the amount in 1912. The whole grade and quality of our work has been very much improved. All of this growth and development has cost and is costing money and means a very much increased cost for annual maintenance. For example, for 1922 we shall pay on teachers' salaries alone fully four times our total budget for 1912, viz., \$140,000 Mexican; or, for 1922, we shall pay for University supported foreign teachers alone a larger sum than we expended in 1912 for our entire budget for all departments. Most of the expenditures for this development have come through increased fees, special contributions from China and from special gifts from home. The \$80,000 Mexican unbudgeted and unprovided for expenditures reported above represent an accumulation of several years, both for land, building and equipment and also considerable excess of expenditure over receipts on regular budget for the past several years. Manifestly we have come to the point where a new basis, more adequately meeting financially our present work and status, must be arrived at. I am sure that our supporting Missions and Boards do not fully appreciate the scope and quality of the work we are now doing and the very great expense involved. During these years, so far as the Missions and Boards are concerned, all of this has been carried on largely on the old pre-war basis, but in fact, for the past six or seven years, with increasing difficulty, by the personal efforts in the main of Doctor Williams, so far as finances go, and - largely unrealized by others - our own staff and our Missions and Boards.

We are, therefore, facing - I will not say a crisis in our history, but a new stage in our development. We have a deficit of \$80,000 Mexican to provide for and an annual increase of budget of not less than \$25,000 Mexican, which will increase year by year for some time by at least \$10,000 Mexican provided we are going to do the kind and quality of work we are now undertaking and develop it in any degree adequately.

Now what are we going to do about it?

(1) For the time being cut down all current expenses as much as possible and of course refrain from all extraordinary expenses.

(2) Secure the understanding and appreciation of the present situation and the work of the University on the part of our cooperating Missions; and

(3) Make through them, perhaps through you as their representatives, a request for each of the four Boards to contribute not less than \$15,000 gold each to meet all outstanding property obligations. It does not seem to me an unreasonable request from the University, in view of its growth and development, for us to ask our cooperating Boards to provide, say, \$60,000 gold more capital. We have the land, buildings and equipment they represent and should have secured the funds before this.

(4) Then we must make provision for our current budget. As you will see from our budget herewith presented, we need slightly over \$15,000 Mexican more income to meet the regular administrative expenses on present basis. You must understand, though, that this eliminates practically all items for equipment. It seems to me the only safe and wise policy is to ask our cooperating Boards to increase their annual grants. Three Boards are giving \$8,000 Mexican and one Board is giving \$3,000 Mexican.

(5) Let us ask each to increase their grant by \$4,000 Mexican. In addition we must ask our Boards to each put up a new

dormitory: the Presbyterian, Christian and Methodist for Chinese students at \$25,000 Mexican each; and the Baptist for the Language School at \$40,000. Mr. Keen, who is at home, will help his Board secure from special gifts this fund for them.

(6) It seems to me also that we must authorize the immediate home-going of Doctor Williams to represent us and make our situation known and to help secure the necessary funds.

(7) Finally, in addition to the current budget, to which we must adhere absolutely in the future, let us have a contingent budget for new men, land, building, equipment, and any other items that may arise; and the expenditure of any money on this budget to be entirely dependent upon, first, having the funds in hand, and it is to be the responsibility of the administration of the University to secure these funds, not from the Boards, but from other sources.

Some needs under this budget would be the other items listed on page 59 of my report, which make a rather heavy schedule for the University to undertake during the next three or four years. So that, to summarize, what we now wish to ask from the cooperating Boards is:

1. \$ 50,000 gold on plant and equipment deficit.
2. \$ 16,000 Mex. annual increased appropriations.
3. \$115,000 Mex. for dormitories.
4. The home-going of Dr. J. E. Williams.
5. Approval of a contingent budget as suggested.

In the face of our debts and financial situation, but also in the face of the eleven years history and growth and development and inspiration to the churches at home and in China, are we presumptuous to ask these sums as a thank offering and as a pledge of faith in such union cooperative work of the churches and in the God who has directed us to this point? I think not, and so we make this recommendation and seek your approval.

Exhibit C

REPORT OF UNIVERSITY HOSPITAL - 1920-1921

The service rendered to the city of Nanking and environs by the University Hospital, as estimated by the number of dispensary patients and in-patients, has shown a continuous and steady growth during the last six years since its reorganization as an integral part of the University of Nanking. The new physical equipment during these years is shown on page 3 of the printed report, as is also the relative growth in the number of patients from 1916 to 1920, and this year we estimate an even more marked increase in these figures.

The nursing staff now consists of four foreign nurses. Besides this we have a foreign director of the hospital laboratory. The dental department has well justified its establishment under Dr. Fellows. The difficulty of securing from each Mission its foreign representative has not yet been overcome, and the resignation of Dr. Sloan this summer has left the situation even more acute. At present only Dr. Hutcheson and Dr. Wilnot are carrying on the work of a large hospital and a large foreign community; and, needless to say, this is a great handicap to progressive and efficient work of the hospital. We would urge the Board of Managers to impress upon the two Missions not now represented by a foreign physician on the staff the absolute necessity and immediate urgency of securing such representatives. This situation will become even more acute on the departure of Dr. Hutcheson next spring on furlough.

The financial needs of the hospital will be presented when the Budget, which is herewith appended, comes up for discussion.

Respectfully submitted,

Allen C. Hutcheson,

Superintendent.

Exhibit D

REPORT OF DEPARTMENT OF MISSIONARY TRAINING
UNIVERSITY OF NANKING - 1921

Last year when the wheel of fortune made its turn the lucky number fell on Mr. A. G. Small and he was sent home on furlough, the unlucky number fell on me and made me Chairman of the Building and Property Committee.

This year another turn, and the lucky number struck Mr. C. S. Keen, the Dean of the Language School, and the unlucky number again fell on me. I feel sure none of you can appreciate how one feels who can only just rattle around in Mr. Keen's shoes. This unlucky result of the turn of the wheel is getting monotonous.

When the question was first raised as to my taking charge of the Language School this year my relation to the Middle School was also considered, and it was agreed that I should not attempt to take responsibility for both the Middle School and the Language School. Mr. C. F. Liu, appointed last spring as Assistant Principal, has taken full responsibility at the Middle School.

Mr. Keen left for furlough immediately after the close of school in June. This left all the work of the summer term in my charge as well as the preparations for the entertainment and the receiving of the new students. In all this work Mr. Gia, the Head Chinese Teacher, and his assistants and the office secretary, Mr. Van, have done a large share of the work, which would have been impossible without them.

75 students took the summer courses in the school and 55 passed written examinations on the same.

During September for three weeks Mr. Gia and his staff held a Normal Class for our own and visiting teachers. Fifteen teachers from other places come to us this year to learn the methods of the school, with the definite purpose of going back to their home and putting them in practice.

Of the last year's pupils 33 have come back to take at least part of their second year's work in residence, others (those who came in January) to complete the work of the first year.

The number of new students who have applied exceeds that of any previous year. The total number of new students is 100.

The students are divided among the denominations as follows:

>	Methodist Episcopal.	32	
>	Northern Presbyterian	16	
	Southern Presbyterian	9	<
>	North Baptist	9	
	Southern Baptist	2	
	Protestant Episcopal	6	<
>	United Christian Mission Society	18	
	American Board Foreign Mission	2	<
	Reformed Christian Union Society	7	<
	Evangelical Association	2	
	United Evangelical	2	
	American Advent Church	2	
church	China Mission Society	1	
	Friends	1	
	Women Union Missionary Society	2	
	Seventh Day Adventist	9	<
	I.M.C.A.	3	<
	Y.W.C.A.	3	<
	University	3	
	Kindling	2	
	Seminary	1	
	Unconnected with Mission	1	
		<hr/>	
		133	

They are assigned homes in Nanking as follows:-

Dormitory		22	
S D A		9	
2 homes	5 each	10	}
7 homes	4 "	28	
11 homes	3 "	33	
13 homes	2 "	26	
5 homes	1 "	5	
		<hr/>	
		133	

You might think it a thankless task to find homes for so many new comers with the missionaries in Nanking, but I want to bear testimony to the fact that there was not a single place where I was not sympathetically received. There were a few places where conditions were such that I did not even make the request; there were also a few where even after the request it seemed impossible to receive any students, but the statistics given above go to show that Nanking's heart is still open.

However, there is a point beyond which the Boards ought to refuse to permit their missionaries to go. The result of this crowding into our homes year after year, where, as is the case in many homes, not even a guest room is reserved, cannot but be detrimental to the work both of the students and of the missionaries.

- 3 -

Mr. Keen is now at home and I wish to ask the Board of Managers to take definite action, asking our Home Boards to give Mr. Keen every possible help in his efforts to put the needs of our Language School here in Nanking before the Boards and the public at home in America.

Respectfully submitted

Wilbur F. Wilson

Acting Dean

Exhibit E

NEW FACULTY MEMBERS

THE COLLEGES

- Vista Claiborn Black, English Secretary.
- Leonard Hathaway Caldwell, Ph.B. (Sheffield Scientific School, (Yale)).
Physics, Junior and Senior Colleges.
- Chang Chwan-ching, B.S. (University of Nanking)
Extension work in Forestry, College of Agriculture and Forestry.
- Chang Shi-yu, B.S. (University of Nanking)
Assistant in Cotton Improvement, College of Agriculture and Forestry.
- Chen Ching-chang, B.A. (University of Nanking) M.A. (Columbia).
Acting Dean of Department of Chinese Education, College of Arts and Science; Chinese, Middle School.
- Chen Kwei-chi, B.S. (University of Nanking)
Assistant in Cotton Improvement, College of Agriculture and Forestry.
- Marie Jane Dorland, (New York State Normal course).
English, Junior College.
- Charles Shelby Gibbs, B.S. (Bates), M.S., Ph. D. (Yale).
Bacteriology, College of Agriculture and Forestry.
- Hoh Hsi, (Graduate of Nanking Teachers' College).
Assistant in Chemistry, Junior College.
- Thomas Franklin Holgate, B.A., M.A., (Toronto) Ph.D. (Clark),
LL.D (Illinois, Queens), Dean of College of Liberal Arts,
Northwestern University, Acting President of Northwestern
1904-1906, 1916-1919; on Sabatical leave 1921-1922.
Mathematics, College of Arts and Science.
- Hsu Chi-fang, (Graduate of Nanking Teachers' College).
Assistant in Chemistry, Junior and Senior Colleges.
- Ip Nga-kok, (Yeh Ya-koh) B.S. (Penn State College,) M.F. (Yale).
Forestry, College of Agriculture and Forestry.
- Feh Ching-chung, (Ingenieur Agricole, University of Toulouse)
French. Special course in Sericulture. (Is professor of
Horticulture in the Southeastern University.)
- Ku Ying, (Tokyo Agricultural University).
Japanese, Sericulture, Special course in Sericulture.
- Elsie May Priest, English Secretary, College of Agriculture and Forestry.
- Albert Newton Steward, B.S. (Oregon Agricultural College).
Botany, College of Agriculture and Forestry.
- Ting Tso-chen, B.S. (University of Nanking).
Physics, Junior College.

Exhibit E (cont.)

James Winfield Walker, B.A., M.A. (DePauw), S.T.D. (Boston School of Theology), D.D. (Dakota Wesleyan University), English, Junior College.

Katharine Howes Wead, B.A. (Smith). Representative from United States Department of Agriculture for cooperative work in University Library and in College of Agriculture and Forestry.

SCHOOL OF BUSINESS ADMINISTRATION

Charles Edwin Akerstrom

Clarence Edwin Akerstrom, B.C.S. (Northeastern), B.B.A. (Boston University). Representative of Boston University Nanking Association.

Marguerite Sloan. (In 1920-1921 Secretary of University Hospital. (See minutes of Board of Managers meeting 13 October 1920)

PRIMARY AND SECONDARY GROUP

Celia Margaret Carr, B.A. (Drake). English and History, Middle School.

Chen Shen-wan, Kindergarten, Model School.

Eleanor Holgate, B.A. (Northwestern), English, Middle and Model Schools.

Hu Hung-hwa, Physical instruction, Middle and Model Schools.

Ih Shu-ting, B.A. (Chinese), Chinese, Middle School.

Leng Pao-seng, B.A. (University of Nanking). Mathematics, Model School. (Winter and Spring terms, 1920-1921.)

Vesta Milbrae Mawe, B.A. (Nebraska), English, Model School.

Shi Shuh-tung, B.A. (Chinese), Chinese, Middle School.

REPORT OF BUILDING AND PROPERTY COMMITTEE

UNIVERSITY OF NANKING

1921

With the exception of three dwelling houses no building operations have been undertaken by the University this past year. On account of the great demand for more houses for members of our faculty it was felt that in spite of the fact that Mr. Small was on furlough it would be best to go ahead with such houses as had already been provided for by gifts from home.

Three houses are now practically finished and are being occupied. Miss Wixon, and Mr. and Mrs. Steward with two children, are occupying one, Mr. and Mrs. Illick another, and Dr. and Mrs. Hamilton the third.

In order to provide for additional housing it was decided to take the offer of our mason contractor to put up two houses and rent them to us at a reasonable rent if we would loan him \$5,000. We thought his agreement eminently fair. We were to loan him \$5,000. He was to pay us 9% on such of our money as he had in hand at the end of each half year. He was to build two houses and keep them insured, and we were to pay no rent until the loan was fully repaid.

These houses which probably cost the contractor about \$5,000 a piece are now finished and are being occupied by the families of Mr. Akerstrom and Mr. Wade-Jones.

Mr. Dieterich and family have returned and are living in the house formerly occupied by Mr. Marx; while Mr. and Mrs. Marx are to occupy the house not yet completed, to be rented from Miss Thirza Pierce.

The rest of the work of the Committee has been looking after the general repairs on the University property during the summer.

It is with a great deal of pleasure that we anticipate the early return of Mr. Small who will as formerly be the executive head of this committee.

Respectfully submitted

W. F. Wilson

OK (1)

UNIVERSITY OF NANKING BUDGET FOR CALENDAR YEAR 1932

All figures in Mexican Dollars.

RECEIPTS:

Salaries of teachers supported by co-operating Missions:

Baptist	(Gibbs		\$2,600	
	((Keen (L.S.)			
	((Moss		3,600	
Disciples	(Bates		1,500	
	(Hamilton (3)		3,200	
	(Marx		2,800	
	(Ritchey		2,800	
	(Sarvis (3)		3,600	
Methodist	(Dieterich (2)		3,200	
	(Hummel (3)		3,700	
	(Illick (2)		3,200	
	(Steward (2)		3,200	
	(Wilson (3)	L.S.		
Presbyterians	(Buck (1)		2,820	
	(Reisner (3)		3,420	
	(Speers (1)		2,820	
	(Thomson (2)		3,120	
	(Williams (3)		4,320	
			<u>43,800</u>	

Salaries by Individuals or Companies:

International Commission for the Improvement of Silk	3,180	
Cotton Mill Owners Association	4,500	
Forestry Fund Committee	5,000	
Mr. Dwight H. Day	2,000	
Methodist Centenary	2,100	
Language School (WFW)	4,200	
U. S. Department of Agriculture	1,600	
Presbyterian Board (Furlough)	2,000	24,580

Mission Board Appropriations:

Baptist	3,000	
Disciples	6,000	
Methodist	6,000	
Presbyterian	<u>6,000</u>	21,000

Interest on Endowments:

Disciples	4,000	
Methodist	10,000	
Mr. Swasey	<u>5,000</u>	19,000

Student Fees:

Tuition and Laboratory	52,000	
Board and Uniform	<u>26,000</u>	78,000

RECEIPTS (CONT)

Agricultural Development:

Gardens, Nurseries, Seed	7,000	
Cotton Improvement Work	4,400	
Silk Improvement Work	<u>1,860</u>	13,260

Business Administration Dept:

Boston University, Nanking Assn.		3,200
----------------------------------	--	-------

Special Gifts:

Governor of Shansi		2,000
--------------------	--	-------

SUMMARY OF RECEIPTS

Salaries, Co-operating Missions	49,900	
" Individuals and Companies	24,580	
Mission Board Appropriations	21,000	
Interest on Endowments	19,000	
Students' Fees	78,000	
Agricultural Development	13,260	
Business Administration	3,200	
Special Gifts	<u>2,000</u>	210,940

Total receipts from field \$105,940

EXPENDITURES

Administration:

Salaries:		
President (s)	4,500	
Vice-President (3)	4,320	
Treasurer (2) furlough 3/4 yr.	3,800	
Secretary - Miss Purcell	1,700	
Mr. Small (1)	3,000	
Chinese Secretary - T.T. Chao	1,200	
Chinese writers (7) and asst.	1,190	
Registrar @ 70	840	
Asst. Treas. @ 40	480	
Alumni Secretary @ 40	840	
" " Travel & Exp.	300	
Proctor 1/2 time at 900	450	
Secy. - Miss Sloan 1/2 time	800	
Sinking fund on furloughs	4,000	
Office, Printing, Stationery, etc.	4,000	
Incidentals and Servants	400	
Insurance	1,450	
Residence repairs	200	
Contingent	<u>500</u>	33,970

10,550

23420
4120
9950

Library

Salaries:

Mr. Clemons (2) Home	4,000	
Miss Wead	1,600	
Mr. Liu Kwoh chuin	780	
Assistants (3)	660	
Student Assistants (30)	1,000	8,040
Up-keep and Supplies	150	✓
New Books, Chinese	1,500	✓
" " Foreign	1,500	✓
Binding	350	✓
Furlough Fund	2,000	✓
		13,540

College of Arts and Science

Salaries:

Bates	1,500	
Chen, C.C. 1/2 yr @ 150, 1/2 yr @ 160	1,860	
Folk, I.C. 1 mo @ 170 11 mos. @ 180	2,150	
Hamilton	3,200	
Marx	2,800	
Sarvis	3,600	
Thomson	3,120	20,790
Twinem	1,600	
Yang, P.K. @ 80	960	
Student writer	80	4,400
Yang, S.M. @ 30	360	
Incidentals and Servants	200	✓
Repairs, General and houses and Grounds	600	✓
Light and Heat	800	✓
Athletics	250	✓
Board	1,700	✓
Y.M.C.A	150	✓
		24,930

College of Agriculture and Forestry

Salaries:

Buck	2,820	
Chang Sih yu	780	
Chien, T.H. @ 200	2,400	
Chow Ming I. (1/2 time at 900)	450	
Chen, K.C.	780	
Chang, C.C.	810	
W.Y. Chun	1,960	
Gibbs	2,600	
Griffing	3,200	
Hwa, P. H.	780	
Yuan, T.T.	680	
Hsu, T.F.	680	
Hwang Tsung	720	
Ip, N.K.	1,860	
Li, Shi king	480	
Priest, Miss	1,600	✓
Reisner	3,420	✓
		26,020
		160
		24,420

26,020

24420
10260
34680

Ritchey
 Sie, K.S.
 Shao, T.H.
 Steward
 Ying, Ku
 11 Assistants, Cotton (7), Sericulture (4)
 Experimental Gardens, Nurseries, Seeds
 Cotton Improvement Work
 Silk " "
 Incidentals - Servants - Printing
 Light and Heat
 Repairs, General and Houses
 Swasey Building
 Athletics
 Board

2,800
 2,400
 900
 3,200
 960
 1,380
 6,000
 4,400
 1,860
 1,500
 800
 400
 5,000
 200
 1,200

160
 138
 2980
 5000
 12260
 17260

59,020

Junior College

Salaries:

Akerstrom
 Black
 Hummel
 Hwang, C.H. @ 35
 Illick
 Moss
 Ting, T.C.
 Wade-Jones
 Walker
 Wang, C.P.
 Yin, H.T.
 Caldwell
 Dorland (1/2 time)
 Assistants, Chemistry (Ho and Lo)
 " Biology (1) Physics (2)
 Incidentals and Servants
 Light and Heat
 Repairs, General and Houses
 Athletics
 Board and Uniforms
 Equipment:
 Biology 1000
 Chemistry 1000
 Physics 1075

3,200
 1,600
 3,700
 420
 3,200
 3,600
 810
 2,600
 1,600
 2,200
 720
 2,600
 800
 780
 392
 2,000
 1,000
 600
 400
 7,700

28,222

3,075

42,397

7
 15
 11
 7
 26

Middle School

Salaries:

Dieterich	3,200	
Holgate, Miss	1,600	
Hu, I.T.	2,080	
Suwan Board (C.T. Hung and Asst)	480	
Liu, C.F.	1,020	
Liu, C.C.	960	
Mawe, Miss	1,600	
Sloan, Miss	800	
Speers	2,820	
Woodbridge, Miss	1,800	
13 Chinese Teachers	5,600	21760
Incidentals and Servants	1,000	
Light and Heat	800	
Repairs, General and Houses	1,200	
Athletics	700	
Board and Uniforms	7,000	33,460

Model School.

Salaries:

Carr, Miss	1,600	
Wixon, Miss	2,100	
13 Chinese Teachers	5,200	8900
Incidentals and Servants	1,600	
Light and Heat	200	
Repairs, General and Houses	300	500
Manual Training	500	
Athletics	400	
Board and Uniforms	6,500	18,500

SUMMARY OF EXPENDITURES

Administration	33,970	
Library	13,540	
College of Arts & Science	24,830	
College of Agric. & Forestry	59,020	
Junior College	42,887	
Middle School	32,460	
Model School	18,300	326,317

225,217

Middle School

Salaries:

Dieterich	3,200	
Holgate, Miss	1,600	
Hu, I.T.	2,080	
Suwan Board (C.T. Hung and Asst)	480	
Liu, C.F.	1,020	
Liu, C.C.	960	
Mawe, Miss	1,600	
Sloan, Miss	800	
Speers	2,820	
Woodbridge, Miss	1,600	
13 Chinese Teachers	5,600	21760
Incidentals and Servants	1,000	
Light and Heat	200	
Repairs, General and Houses	1,200	
Athletics	700	
Board and Uniforms	7,000	32,460

Model School.

Salaries:

Carr, Miss	1,600	
Wixon, Miss	2,100	
13 Chinese Teachers	5,200	8900
Incidentals and Servants	1,600	
Light and Heat	200	
Repairs, General and Houses	500	500
Manual Training	500	
Athletics	400	
Board and Uniforms	6,500	18,300

SUMMARY OF EXPENDITURES

Administration	33,970	
Library	13,540	
College of Arts & Science	24,930	
College of Agric. & Forestry	59,020	
Junior College	42,987	
Middle School	32,460	
Model School	19,300	226,217

226,217

	Instruction	Incidentals & Servants	Light & Heat	Repairs	Athlet- ics	Equipment	Board & Uniform	Adm. Staff	Mss.	
Administration		400		200				23,420	9,950	33,970
Library		150		330		3,000		8,040	2,000	13,540
Arts & Science	21,230	200	800	600	250		1,700		150	24,930
Agr/ & Forestry	37,660	1,500	800	400	200		1,200		17,260	59,020
Junior College	28,222	2,000	1,000	600	400	3,075	7,700			42,997
<i>Colleges</i> UNIVERSITY TOTALS	87,112	4,250	2,600	2,150	850	6,075	10,600	31,460	29,360	174,457
Middle School	21,760	1,000	800	1,200	700		7,000			32,460
Model School	8,900	1,600	900	500	400		6,500		500	19,300
<i>Secondary Schools</i> SCHOOL TOTALS	30,660	2,600	1,700	1,700	1,100	-	13,500		500	51,760
TOTALS CHINESE SCHOOLS	117,772	6,850	4,300	3,850	1,950	6,075	24,100	31,460	29,860	118,217
Language School	11,160	1,180	1,030	300	-	600	-	7,720	2,501	14,291
GRAND TOTALS	128,932	8,030	5,330	4,150	1,950	6,675	24,100	39,180	32,161	250,508
Hospital										109,500
TOTAL OF ALL BUDGETS										360,008

THE UNIVERSITY OF NANKING
DEPARTMENT OF MISSIONARY TRAINING

Budget 1921-1922

INCOME

Tuition:			
70 1st year Students at 150		10,500	
20 1st year Students at 200		4,400	
7 2nd year Students at 65		455	
4 Adv. 1st year Students at 66.67		266	15,221
Foreign Staff Salaries:			
C. S. Keen		2,800	
W. F. Wilson		4,200	7,000
Normal Class Tuitions - Chinese Teachers			370
15 Teachers, tuition and Board at 18			
Vacation Teachers' Salaries:			1,300
30 Teachers			24,291
Total estimated Receipts			

EXPENDITURES

Salaries:			
Head Chinese Teacher 12 mos. at 60		720	
Asst. " " 12 mos. at 30		360	
3 Teachers 12 mos. at 20		720	
5 " " 12 mos. at 19		1,140	
4 " " 12 mos. at 18		864	
6 " " 12 mos. at 17		1,224	
6 " " 12 mos. at 16		1,152	
6 " " 12 mos. at 15		1,080	
5 " " 12 mos. at 14		480	
15 " " 12 mos. at 13		2,340	\$ 10,440
30 Summer Teachers' Travel		480	
30 Summer Teachers' Rent		240	720
			\$ 11,160

		11,160
Dean's Salary, Gold \$1,400	2,800	
W. F. Wilson	4,200	
Secretary, 12 mos. at 60	<u>720</u>	7,720
Servant's Wages:		
2 Servants, 12 mos. at 8	192	
2 " 12 mos. at 7	<u>186</u>	360
Fuel: 40 tons hard coal at 20	800	
5 tons soft clao at 18	90	
Kindling	20	
Oil	<u>20</u>	930
Light		100
Normal Class Expense: 15 Students		120
Repairs and Equipment	500	
Furnishings and Supplies	300	
Printing	300	
Lectures	100	
Books	100	
Incidentals	300	
Rent	2,000	
Emergency Fund	180	
Surplus	<u>121</u>	<u>3,940</u>
		24,291

SUMMARY

Income from all sources		24,291
Expenditures	23,990	
Emergency Fund	180	
Surplus	<u>121</u>	
	\$ 24,291	\$ 24,291

THE UNIVERSITY OF NANKING
 DEPARTMENT OF MISSIONARY TRAINING
 BUDGET MEIGS HALL

1(21)1(**

INCOME

Board, Light & Heat:			
25 students	9 mos. at 50	11,250	
Preceptress	9 mos. at 30	<u>270</u>	11,520
Salaries:			
Preceptress	750 gold at 2		<u>1,500</u>
			13,020

EXPENDITURES

Food:			
25 students	9 mos. at 35	7,875	
Preceptress	9 mos. at 30	<u>270</u>	8,145
Fuel:			
25 tons soft coal (kitchen)		500	
40 tons hard coal (heaters)		720	
Kindling		<u>20</u>	1,240
Light:			
9 mos. at 35		325	
3 mos. at 5		<u>15</u>	340
Salary:			
Preceptress			1,500
Wages:			
Head cook and asst.	12 mos. at 25	300	
4 "boys"	12 mos. at 9	432	
Amah	12 mos. at 8	96	
3 coolies	12 mos. at 8	<u>288</u>	1,116
Repairs			200
Furnishings			200
Incidentals			250
Emergency Fund			<u>129</u>
			\$ 13,020

SUMMARY

Total Income	13,020	
Expenditures	<u>12,891</u>	
Surplus	\$ 13,020	\$ 13,020

129

9

UNIVERSITY HOSPITAL

BUDGET FOR 1922

ESTIMATED RECEIPTS.

Balance from 1921		\$ 35,000
Cooperating Missions:		
4 Physicians @ 2,500	Gold 10,000 @ 200 Mex.	\$ 20,000
1 Nurse	1,250 @ 200	2,500
Running Expenses	3,00 @ 200	6,000
Dental Dept.		1,800
China Medical Board:		
1 Physician	2,500 @ 200	5,000
3 Nurses @ 1,250	3,750 @ 200	7,500
1 Lab. Director	1,250 @ 200	2,500
1 Sec.-Treas.	1,250 @ 200	2,500
Running Expenses	3,000 @ 200	6,000
Drugs and Supplies-----		5,000
Operations-----		2,500
Contract and Private Practice-----		4,500
Room Rent (ward fees)-----		6,500
Registration Fees-----		1,200
Gifts-----		500
Miscellaneous-----		500
		74,500
		\$ 109,500

ESTIMATED EXPENDITURES.

Salaries of Foreign Staff:		
5 Physicians @ 2,500	Gold 12,500	Mex. \$ 25,000
4 Nurses @ 1,250	5,000	10,000
1 Sec.-Treas.	1,250	2,500
1 Lab. Director	1,250	2,500
Dental Dept.		2,800
Salaries Chinese Staff:		
5 Physicians-----		4,500
1 Registrar-----		900
20 Nurses-----		3,500
2 Evangelists-----		500
35 Other helpers-----		3,500
Buildings and Land:		
Doctor's Residence-----		6,500
Chinese Nurses' Home-----		9,000
Hospital kitchen-----		3,500
" Laundry-----		3,500
Land-----		10,000
Equipment-----		7,000
Drugs and Supplies-----		6,000
Fuel and Light-----		2,000
Charity-----		3,000
Repairs-----		1,000
Installation of X-Ray-----		1,800
Miscellaneous-----		500
		\$109,500

April 21, 1922.

STATEMENT ON THE HOUSING SITUATION, UNIVERSITY OF NANKING,
SUBMITTED TO MR. A. E. CORY, CHAIRMAN OF FINANCE COMMITTEE.

The housing situation constitutes the most immediately acute problem facing the administration of the University. In response to the suggestions of the Secretary of the Trustees, Dr. Eric M. North, I have prepared the following notes to show how the situation developed and a suggested method of solution.

When the union of the Missions organized the University in 1910 it was upon the basis of \$40,000 gold for equipment either in houses and buildings or lands or cash from the Methodist, Disciples and Presbyterian Missions and Boards. In the property contributed by the Methodist Mission and Board were four houses, one old and three recently built, known as the Bowen, Wilson and Martin residences recently built, and the older residence in the school compound. In the \$31,000 gold property contributed by the Christian Mission was the residence known as the Meigs residence. From the funds contributed as the Presbyterian share, the residence in the old compound was erected, now occupied by the nurses, the residence known as the Williams residence, and another now occupied by Mr. Hummel. In addition from the \$30,000 funds as the basis in union of the Baptists, there was later added one residence known as the Keen residence. These properties were all a part of the original contributions on basis of union.

As part of the participation in the East China Medical School, which later became the Medical Department of the University, was the undertaking that each of the Societies would provide a residence for its doctor on the staff. Thru that arrangement houses or funds were provided for all of the doctors of the hospital staff. Thru the gift of Dr. Hutcheson, the hospital purchased the residence formerly owned by the Southern Baptist Mission. The Methodists gave \$9,000, which purchased a residence formerly for Dr. Lasell, and now occupied by President Bowen. In lieu of that residence for the hospital, the University exchanged the residence formerly known as Mr. Meigs residence. With the gift of \$5,000 Mexican from the United Christian Missionary Society a residence is being built for Dr. Wilmot. The Presbyterian Mission erected the residence for Dr. Sloan which is known as the residence for their doctor. There are now residences for all the doctors of the medical staff. The medical staff should have another residence for housing the nurses. That problem can be worked out separately from resources of the Hospital.

The Baptists provided their residence of Dr. Brown, which has since been assigned as a residence for one of their men on the regular staff of the University. In view of the fact that the University is at present renting four residences in the city at quite high rental, and still has five or six foreign families unprovided with residences, and has a constantly growing faculty and constantly increasing problem of housing, some more fundamental and equitable method of distributing the burden must be found than leaving the housing problem to the uncertain individual gifts which may be secured by the University.

Apart from the houses mentioned above, the University purchased one house, formerly Miss Wixon's, erected another house, occu-

pied by Mr. Clemons, from funds which the University had. It also purchased the house erected by Mr. Settlemyer with funds contributed by Mrs. Turner for a house for a Presbyterian member of the staff.

From Centenary gifts the Methodist Board contributed \$5,000 gold for a residence for Miss Wixon and \$6,000 gold for a residence for their agriculturist.

I would suggest the following basis as a method of providing houses for the advance. Before stating it, I wish to say that to my knowledge the cooperating Boards of the University have made no arrangements to provide residences other than have already been provided, and any new basis would have to be considered upon its merits and accepted by the cooperative Boards as a new agreement among themselves to meet the University's desperate situation. In view of the fact that the University is carrying a staff of seventeen foreign teachers on the funds of the University without definite Mission or Board backing, apart from the hospital staff, and in view of the fact that the houses originally provided in the property contribution or erected from cash thus contributed toward the property basis amount to a total of four from the Methodist, erected before the union, one from the Baptist, erected after the union, one other from the Christian Mission, erected before the union, and two from the Presbyterian, erected from the \$40,000 funds for the union, and one erected subsequently by the University, making a total of nine residences. Would it not be well to regard all houses which were contributed in building or in funds upon the original basis as being the University's property for housing the staff unsupported by Mission Board, then ask the cooperative Societies to undertake to contribute additional houses to provide for their representatives on the University staff - namely, as follows:

That the Methodist Board having contributed from Centenary \$11,000 for two houses, which was utilized to erect three smaller houses be asked to contribute three additional houses as a quota to fully house their staff.

That the Presbyterian Board having contributed funds for one house in addition to the original contribution apart from the hospital be asked to contribute funds for four additional houses to provide for all of its present staff.

That the Christian Mission having contributed in addition to the original contribution funds for the hospital but no funds for housing the University staff be asked to contribute funds for five residences.

That the Baptist, not now participating in the Hospital, and using their doctor's house for the general staff, be asked to contribute in addition to Mr. Keen's residence, which was part of the original \$30,000, one additional residence,

each of these residences to be estimated upon the basis of \$5,000 gold to cover land and building. If this plan could be carried out it would provide for an addition of thirteen residences. This would en-

able the University to give up renting houses and house all its staff in its own houses, and provide houses for those who now have no houses. This would provide fully for the foreign staff. While this is contemplated as a new undertaking, not involved definitely in any agreement already made by the participating Boards, it is not contrary to the policy of the cooperating Boards of providing residences for all their missionaries. It should be guarded, however, that the University is not claiming this as a definite obligation* on the part of the cooperative Societies in their original agreement, but is presenting a dire situation to the Societies as partners in a joint enterprise, and suggesting this as an equitable and fair arrangement to meet the necessities.

Another element in the housing situation that is not covered in the above but is acutely present to President Bowen and the administration is the problem of housing returned students. The University has taken the position heretofore of paying the salary and not being responsible for the housing. This position was practicable up to about three years ago. Since then the housing situation in Nanking has become very acute. These men who return from abroad, some of them come from Canton and other centers, are strangers in Nanking. The Chinese buildings in Nanking are not built in a sanitary way, neither being well lighted nor dry enough to afford healthful living quarters. If the University is to retain the service and cooperation of these men, crucially important in the development of the University, it must do something to meet the housing situation. If the Boards would undertake the above proposed housing plan, which we realize could not be met in one year, but might be met in a period of two or three years, the University should have to make special effort to secure funds to build houses for the returned student staff.

In proposing the above plan, I am keenly aware of the financial situation confronting the cooperative Societies. I realize that this is a large advance to propose. However, if the University is to maintain the position of leadership it has already obtained, it will have to provide adequate housing. This is the most immediate and urgent need. Other needs of dormitory, science building, library, gymnasium, etc., are pressing and will have to be met. The housing situation would be more reasonably apportioned among the Societies than probably any other need.

Respectfully submitted,
 (Signed) J. E. Williams.

* It was suggested that it would be more correct to say there were definitely - no further obligations - and the University was left with the housing problem.

The Board of Managers took the following action, June 25, 1920:
 "VOTED, that the Board of Managers request the cooperating Boards, when they approve of the appointing of additional men to the University, that they also make provision to house them.
 In view of the great need for houses for members of the present faculty of the University, it was
 VOTED, that when we estimate salary for any one appointed by an organization to the staff of the University, we should estimate in his salary sufficient to provide for rent at the current rate.
 VOTED, also, that in making any list of needs of the university we place the need of housing first"

Nanking

TRANSFER

JOINT MEETING OF THE EXECUTIVE AND FINANCE
COMMITTEES OF THE BOARD OF MANAGERS OF
THE UNIVERSITY OF NANKING.

9 October 1922.

There were present:

Finance Committee

E. C. Lobenstine, Chairman
A. J. Bowen
J. T. Proctor

Executive Committee

H. Clemens (for
Dr. Williams)
C. S. Keen
S. J. Mills
W. F. Wilson

As all of the actions of this meeting were brought up, discussed, and acted upon independently by the Board of Managers on October tenth such actions are incorporated in the minutes of the Board of Managers.

W. F. Wilson, Secretary.

JOINT MEETING OF THE EXECUTIVE AND FINANCE
COMMITTEES OF THE BOARD OF MANAGERS OF
THE UNIVERSITY OF NANKING.

9 October 1922.

There were present:

Finance Committee

- E. G. Lobenstine, Chairman
- * A. J. Bowen
- J. T. Proctor

Executive Committee

- H. Clemens (for
Dr. Williams)
- G. S. Keen
- S. J. Mills
- W. F. Wilson

As all of the actions of this meeting were brought up, discussed, and acted upon independently by the Board of Managers on October tenth such actions are incorporated in the minutes of the Board of Managers.

W. F. Wilson, Secretary.

THE NINETEENTH MEETING OF THE BOARD OF MANAGERS OF

THE UNIVERSITY OF NANKING. 10 October 1922.

The nineteenth meeting of the Board of Managers of the University of Nanking was held on the tenth of October 1922 at nine o'clock in room C-7 Severance Hall.

Those present were: President A. J. Bowen, L. J. Birney, Harry Clomons (for J. E. Williams), E. H. Cressy, C. H. Hamilton (for Frank Garrett), E. C. Lobenstine, S. J. Mills, E. I. Osgood, J. T. Proctor, G. W. Sarvis, F. J. White, and W. F. Wilson.

In addition there were present: C. E. Akerstrom, Acting Treasurer of the University; C. S. Keen, Dean of the Language School; J. H. Reisner, Dean of the College of Agriculture and Forestry; and A. G. Small, Superintendent of Construction.

Prayer was offered by Dr. E. I. Osgood.

Inasmuch as the minutes of the meetings of the Board of Trustees on 7 July 1922, of the Executive Committee of the Board of Trustees on 7 July 1922, of the Finance Committee of the Board of Trustees on 7 July 1922, of the joint meeting of the Executive and Finance Committees of the Board of Trustees on 18 July 1922, and of the Board of Managers on 13 October 1921 had previously been circulated, these were received without reading. The minutes of the joint meeting of the Executive and Finance Committees of the Board of Managers, held on 9 October 1922, were read and accepted.

The President then gave his report to the Board of Managers.

Dean Reisner then gave an additional report for the College of Agriculture and Forestry.

Dean Keen then gave an additional report for the Department of Missionary Training.

After some discussion in regard to the increased Language School fees it was

- M - 1. MOVED AND CARRIED: That the question of the increase in Language School fees as reported by Mr. Keen should be referred to a special committee, who will report this afternoon. Messrs. Sarvis, Keen and Reisner were appointed on this committee.

After discussion in regard to the Committee on Cooperation of Colleges and Universities it was

- M - 2. MOVED AND SECONDED: That a special committee be appointed to bring in a report this afternoon. Dr. White and Bishop Birney were appointed.

In regard to our representative on the Committee on the Study of the Field, a sub-committee of the Advisory Council of

the Association of Colleges and Universities of East China it was

- M - 3 **MOVED AND CARRIED:** That we ask Dr. Bowen to represent the University, if possible, on that committee.

Afternoon Session

The meeting was called to order at 2:10 P. M.

In addition to the members of the Board who were present in the morning, it was noted that Mr. S. T. Wen was also present.

Mr. Wen led in prayer.

Mr. Lobenstine, chairman of the Finance Committee, began the report for the Finance Committee. At 12:30 M. the meeting adjourned until 2:00 P. M. The chairman of the Finance Committee continued his report.

In regard to the deficit, a recommendation from the Finance Committee was adopted, namely,

- M - 4 **THAT** we instruct the President of the University and the heads of departments to reduce expenditures to the lowest possible point with a view of making payments on the deficit from the existing income.
- M - 5 And further: That any saving which can be effected in any department, including any excess in income in any department over the estimates in the budget, be used for meeting the deficit, except by special vote of the Finance Committee.

In regard to the method of bookkeeping for the University it was

- M - 6 **MOVED AND CARRIED:** That Mr. Akerstrom be requested to arrange the keeping of the accounts so that they will correspond to the budgets.

In regard to the need of additional help in the Treasurer's office it was

- M - 7 **MOVED AND CARRIED:** That we recommend to the Board of Trustees that the University secure an assistant to the Treasurer who has had thorough training in accounting and bookkeeping, and who shall be added permanently to the staff.

It was also

- ~~M - 8~~ **MOVED AND CARRIED:** That we request Mr. Keen to relieve Miss Smith from her school and office work in the Language School, and loan her to the Treasurer's office until 31 December 1929.

In regard to the fiscal year it was

- M - 9 MOVED AND CARRIED: That we recommend to the Board of Trustees that the fiscal year of the University be changed from the calendar year to correspond with the school year, the exact date for the closing of the fiscal year to be determined later.

It was also

- M -10 MOVED AND CARRIED: That the annual meeting of the Board of Managers be held in the spring, in March or April, at the call of the President.

In regard to the pro rata share of the Baptist Board in the University, the following statement was presented by the Executive Committee to the Board of Managers:

"In the annual meeting of the Board of Managers held 13 October 1921, action was taken as follows:-

"On motion of Dr. J. T. Proctor it was voted that the Board of Managers, through the cooperating missions, request the Board of Trustees to ask the four cooperating mission boards to increase the total annual grant by \$16,000 Mexican, the amount of increase to be made by each mission board to be determined by the Board of Trustees on the basis of a statement to be prepared by the Executive Committee of the Board of Managers, suggesting a pro rata basis of distribution."

"Since it is recognized that the Baptist Mission Board is cooperating only in the departments of Agriculture and Forestry and of Language Study, it is necessary to divide the net cost to the boards of these two departments between four boards, while the net cost of all the remainder of the institution must be divided between three boards. The net cost of each department is determined by subtracting from the total cost of the department the income from student fees, field income from donations or other sources, or special subscriptions from home, leaving the amount which must be met from board appropriations either for salaries of missionaries or for current expenses or from income from endowment. Since the pro rata share of a board is partly made up by payment of salaries and since salaries vary from time to time with children's and other special allowances, and vary also as between the different boards, it is understood that the pro rata share of a given board can be fixed only approximately; that is, a fixed amount in current appropriation in addition to the salaries of so many individuals.

"A statement is presented on the basis of the Budget for 1923 containing, for illustration, a statement of the actual appropriation of the Baptist Board, which is cooperating only in these two departments:

236
236

Nineteenth Meeting of Board of Managers (4)

Net cost to the four boards of the College of Agriculture and Forestry (see 1923 Budget)		Mex. \$25,376.00
30% of total cost of administration	\$9,999	
37% of net cost of Library	<u>4,492</u>	14,491.00
Net cost of Language School		5,370.00
Net cost of the two departments		<u>45,237.00</u>
Share of one board		11,509.25

Baptist Board Appropriation

Salary of Dr. Gibbs	\$2,700	
Salary of Mr. Keen	3,770	
Salary of Mrs. Goddard	1,600	
Appropriation	<u>5,000</u>	11,070.00
Balance unprovided for		239.00"

after discussion of the above statement it was

M - 11 **MOVED AND CARRIED:** That the Board of Managers hereby recognize that the American Baptist Foreign Mission Society is at the present time cooperating only in the College of Agriculture and Forestry, and the Department of Missionary Training.

The Baptist members of the Board of Managers having raised the question as to whether, in view of their mission cooperating only in these two departments, their representation on the Board of Managers should not be reduced to two members, it was

M - 12 **MOVED AND CARRIED:** That the Baptist Mission continue to have the same representation and participation as at the present time.

It was then

M - 13 **MOVED AND CARRIED:** That, in accordance with the request of the Board of Managers in 1921 that the cooperating boards each provide their pro rata share of the total indebtedness of the University, the attention of the boards be called to the fact that of the total indebtedness reported 30 June 1922, amounting to \$100,530.52, the following amounts are from the College of Agriculture and Forestry:

College of Agriculture and Forestry	\$16,534.40
Land (mostly for College of Agriculture and Forestry)	<u>17,974.55</u>
	\$34,508.95

The Board of Managers strongly urge that all of the cooperating boards shall take steps at an early date to make provision for meeting the needs of the University for staff, plant, and equipment, including the indebtedness of \$100,530.52.

After the budget had been fully presented and discussed at length it was

Nineteenth Meeting of Board of Managers (5)

M - 14 **MOVED AND CARRIED:** That we refer the budget for 1923 to the Executive Committee with power, and that we request the heads of departments and the Finance Committee to make further study of this budget with the understanding that, if possible, \$20,000 be made available to apply on the deficit.

Messrs. Cressy, Clemens, and Bowen were appointed as a Nominating Committee to name the members of the Standing Committees of the Board of Managers for the coming year, the nominations to be presented this evening.

The meeting then adjourned to meet at 8:00 P. M.

Evening Session

The meeting was called to order at 8:00 P. M.

After discussion in regard to the finances of the Cotton Department it was

M - 15 **MOVED AND CARRIED:** That in the event that the Cotton Department did not receive from the Cotton Mill Owners' Association, the \$9,700 which was expected, the expenses in the Cotton Department should be kept within the income which should be received.

The question was raised as to whether it was not possible to make some saving on scholarships. After some discussion it was

M - 16 **MOVED AND CARRIED:** That the whole question of scholarships be referred to the Executive Committee for consideration and recommendation to the missions concerned.

In regard to the budget items entitled "Furlough Fund," it was

M - 17 **MOVED AND CARRIED:** That all items reserved for the Furlough Fund be set aside and placed in a separate bank account to be used only for the purpose indicated.

It was also

M - 18 **MOVED AND CARRIED:** That if there be any saving in the furlough account of Mr. Clemens for the year 1922 that it be set aside towards travel expenses for Miss Wead.

In regard to a credit balance in the Hospital budget of \$27,000, it was

Nineteenth Meeting of Board of Managers (6)

M - 19 MOVED AND CARRIED: That the Hospital Committee be instructed not to proceed with the use of the \$27,000 for the erection of Unit 1 until this amount, to be secured through the special campaign by Dr. Hutcheson and Dr. Williams in America, be in the hands of the University for payment to the Hospital.

In regard to the new Language School buildings it was

M - 20 MOVED AND CARRIED: That the Board of Managers express their hearty approval and appreciation of the steps being taken by the Board of Trustees for finding accommodations for the Language School students. Also that, after careful consideration, we would recommend

(1) That the \$200 Property Fund fee chargeable to each student be collected by the Treasurer of the Board of Trustees in New York, and

(2) That the rent charge of \$100 Mexican per student, together with the customary \$150 tuition fee, be collected by the University Treasurer in Nanking.

On recommendation of the committee appointed to report in regard to the attitude of the Board of Managers towards the recommendations of the Educational Commission, it was

M - 21 MOVED AND CARRIED: That the Board of Managers of the University of Nanking wish to express their hearty appreciation of the splendid service rendered by the Educational Commission and wish to put on record its approval, in general, of the suggestions made by the Commission and the representatives of the Colleges and Universities of East China in their meetings with the Commission regarding the work each college was to do, as follows:

St. John's University: liberal arts, junior and senior colleges; theology; history and political and social science; journalism; civil engineering (if financed so as not to encroach upon the usual home sources of finances).

Shanghai College: liberal arts, junior college; theology; commercial and industrial organization and economic investigation; training of teachers for middle schools; industrial chemistry (if financed so as not to encroach upon the usual home sources of finances).

Soochow University: liberal arts, junior college; training of middle school teachers of the physical and biological sciences; law, in Shanghai, in union with St. John's.

Hangchow College: liberal arts, junior college; construction department.

University of Nanking: liberal arts, junior and senior colleges; agriculture and forestry, in cooperation with the government institution; school of educational research; training of supervisors of education; training of middle school teachers.

(2) Further, to express their approval of union in Shanghai in law, commerce, journalism, and medicine.

(3) They look with favor on the new system of organization proposed by the National Educational Association, namely, six years of middle school and four years of college, divided into two years junior college, and two years of senior college.

(4) They also favor some form of cooperation in a summer school.

As to the best method of putting into effect the spirit of the above action (M. 21) it was

M - 22 MOVED AND CARRIED: That we instruct the representatives of the University on the Advisory Council of the Association of Christian Colleges and Universities in East China to make every effort towards securing the carrying into effect of the above resolutions by the Advisory Council and the constituent colleges and universities.

In regard to the relation of the home boards towards the recommendations of the Educational Commission it was

M - 23 MOVED AND CARRIED: That we venture to suggest to the boards that they give to the report of the Educational Commission their early and fullest consideration, especially in regard to those matters which affect the actions of boards in relation to their work in China.

In regard to the report of the Committee on the Definition of the Functions of the Administrative Officers and Standing Committees in the University of Nanking (Doctors Holgate, Birney, and White), which committee was appointed at the last meeting of the Board of Managers, it was

M - 24 MOVED AND CARRIED: That we receive and approve the same with hearty appreciation of the painstaking and valuable work done by this committee.

The President nominated the following as additions to the University faculties:

For the Colleges: Alexander Brede, B. A. (Michigan), for English; Chen An-tz, B. A. (Nanking, 1922), for English and athletics; Chen Shwen-yuin, B. S. (Nanking, 1922), for Biology; Charles W. Coulter, B. A. (Toronto), B. D. (Victoria), M. A., Ph.D. (Yale), on sabbatical leave from Western Reserve University, who is giving special courses in sociology; Mrs. C.S. Gibbs, B. S. (Yale), who is teaching a course in Chemistry; Ernest Victor Jones, B. A. (Scarritt), M. A., Ph. D. (Vanderbilt), for Chemistry; Hung Chang, B. A. (Nanking), M.S.B. (Syracuse); Li Han-seng, Alumni Secretary and secretary for Chinese correspondence; Walter G. Lowdermilk, B. S. (Oxon), for Forestry;

B.S. (Colby)

Miss Mary W. Mills, B.A. (Chicora), for English; Shen Sheo-
tsuen, B. S. (Nanking, 1922), for agriculture; Tsd Chen, B. S.,
(Nanking), Proctor and Chinese secretary for the College of
Agriculture and Forestry; Wei Naich-zen, B. A. (Nanking 1922),
for English and Physics.

For the Middle School: Liu Chi-hsuen, for Chinese.

For the Model School: Ling Ching-pu, for Chinese.

For the Language School: Miss Maude L. Leyda, to be
assistant to the Dean; and Miss Bertha C. Smith, to be Secretary
for the Language School. S. B. (Simmons)

For the Hospital: Dr. C. S. Trimmer, M. D. (Penn).

It was then

- M - 25 MOVED AND CARRIED: That these new members be appointed by the
Board of Managers.

The Superintendent of Construction, Mr. Small, gave the
report for the Building and Property Committee. The report was
received, special note being made of the following recommendation:

The Building and Property Committee recommend that a fee
of seven per cent of the total cost of all university work amount
to Mexican \$ 300 or more which passes through Mr. Small's hands
shall be charged against the job to cover the cost of plans, super-
vision, etc. The committee further suggest that this apply to all
work done since 1 January 1922.

It was then

- M - 26 MOVED AND CARRIED: That this recommendation of the Building and
Property Committee be approved and adopted by the Board of
Managers.

Dean Reisner of the College of Agriculture and Forestry
presented a recommendation in regard to the organization of this
college into departments, with a statement of the duties and
functions of each department head. It was then

- M - 27 MOVED AND CARRIED: That this recommendation be referred to the
Executive Committee with power, so that the whole plan may be co-
ordinated with the general plan for the University as reported by
the Committee noted in M - 24.

The Nominating Committee presented the following nomina-
tions for members of the standing committees for the coming year:

Executive Committee: Messrs. Bowen (Chairman), Birney,
Chang, Cressy, Gamewell, Garrett, Mills, Sarvia, Wen, Williams
(Clemons alternate), Wilson.

Building and Property Committee: Messrs. Small (Chairman)
Bowen, Daniels, Thomson, Wilson.

Nineteenth Meeting of Board of Managers (9)

Finance Committee: Messrs. Cressy (Chairman), Bowen, Gamewell, Mills, Owen (Akerstrom alternate), Sarvis, Wang. (Messrs. Lobenstine and Proctor of the 1921-1922 committee to continue as members until they leave for the United States.)

Hospital Committee: Messrs. Daniels (Chairman), Bowen, Sarvis, Williams (Thomson alternate).

Language School Committee: Mr. Keen (Chairman), Miss Brittain, Messrs. Bowen, Clemons, Reiser, Wilson.

It was then

- M - 28 MOVED AND CARRIED: That the Board of Managers adopt the report of the Committee.

In regard to the erection of the new sericulture building for which money is now in hand, it was

- M - 29 MOVED AND CARRIED: That the Building and Property Committee go ahead with making of plans and providing for the construction of the same.

The committee was instructed to let the contract for not more than 88% of the expected cost price, 7% going for the Superintendent of Construction, as per action M - 26, and 5% for contingencies.

As time was limited and there was no opportunity for the reading of the minutes it was

- M - 30 MOVED AND CARRIED: That Mr. Clemons and the Secretary look over and correct the same.

In regard to the new Language School buildings it was

- M - 31 MOVED AND CARRIED: That Mr. Keen and the Building and Property Committee proceed to make plans for the same, the buildings to be erected as soon as there are sufficient funds in hand.

After a closing prayer by Bishop Birney the meeting adjourned sine die.

W. F. Wilson, Secretary.

COMPARISON OF THE 1922 BUDGET WITH EXPENSES
 FOR THE YEAR ENDED 30 JUNE 30-1922

Item #	ADMINISTRATION	Budget 1 yr.	Net exp. 1/2
1	President	\$4500.00	\$2341.81
2	Vice president (see contra #205)	4320.00	2160.00
3	Treasurer, furlough 3/4 year	3200.00	799.98
4	Miss M. H. Purcell	1700.00	988.30
5	A. C. Small	3000.00	1500.00
6	T. T. Chao	1200.00	600.00
7	Chinese writers and assistants	1190.00	689.91
8	Assistant Registrar	360.00	129.42
9	Assistant Treasurer	480.00	240.00
10	Alumni Secretary	840.00	420.00
11	Alumni Secretary travel and expenses	500.00	350.65
12	Proctor, 1/2 time (see also #59)	450.00	210.00
13	Miss M. Sloan, 1/2 time (see also #129)	800.00	399.99
14	Sinking fund for furloughs	4000.00	4571.36
15	Office expense	2500.00	1343.92
16	Administration incidentals	500.00	532.90
17	Incidentals and servants	400.00	106.86
18	Insurance	1450.00	1751.53
19	Residence repairs	200.00	44.23
20	Contingent	1285.00	
21	Rent of Mr. Small's house (Chen Ah-ming)		443.00
22	Interest and exchange (net)		169.39
		33,273.00	19782.25
	<u>LIBRARY</u>		
	Salaries:		
23	H. Clemons and furlough (salary only)	4000.00	837.19
24	Miss K. H. Wead	1600.00	799.98
25	Liu Kwoh-chuin	780.00	390.00
26	Assistants (4)	660.00	485.00
27	Student Assistants	1000.00	405.45
28	Upkeep and Supplies (Equipment)	150.00	13.73
29	New Books Chinese	1500.00	658.40
30	New Books Foreign	1500.00	968.41
31	Binding	350.00	
32	Furlough Fund, paid by Presby Bd. (1/2 est.)	2000.00	1000.00
33	Co-operation, Washington	1200.00	230.96
34	Incidentals		86.71
		14740.00	5975.83

SENIOR COLLEGE

35.	Salaries, Bates	1500.00	750.00
36.	Chen $\frac{1}{2}$ yr.	900.00	900.00
37.	Chen $\frac{1}{2}$ yr.	960.00	
38.	Falk	1070.00	340.00
39.	Hamilton	3200.00	1800.00
40.	Marx	2800.00	1400.00
41.	Sarvis	3600.00	1800.00
42.	Thomson	3120.00	1660.00
43.	Twinem	2200.00	863.31
44.	P.K. Yang - F.S. Luh	960.00	600.00
45.	Student writer	80.00	
46.	S... Yang and 3	360.00	342.00
47.	Incidentals and servants	200.00	53.35
48.	Repairs, General, Houses and Grounds	600.00	319.26
49.	Light and Heat	800.00	607.20
50.	Athletics	250.00	341.73
51.	Board	1700.00	974.32
52.	Kuleo Y.M.C.A. (net)	150.00	74.00
53.	Rent of Mr. Marx's house		303.10
54.	Mr. Twinem, outfit allowance and fgt.		451.60
		24450.00	13229.52

COLLEGE OF AGRICULTURE

Salaries:			
55.	Buck	2820.00	1410.00
56.	Chang Sih-yu (\$353.00 in item #82)	780.00	
57.	T.H. Chien	2400.00	1200.00
58.	Chow Ming I, 1/2 time (\$210.00 in #82)	450.00	
59.	K. C. Chen (\$353.00 in #82)	780.00	
60.	C. C. Chang	810.00	360.00
61.	W. Y. Chun	1960.00	1260.00
62.	C.S. Gibbs	2600.00	1300.00
63.	J.L. Griffing	3200.00	1599.93
64.	P.H. Hwa	780.00	360.00
65.	T. T. Yuan	680.00	330.00
66.	T. Y. Hsu	680.00	330.00
67.	Hwang Tsung (\$360.00 in item #80)	720.00	
68.	N. K. Ip	1850.00	900.00
	S. C. Ku		60.00
69.	Li Shi-king	480.00	240.00
70.	Miss Priest	1600.00	865.83
71.	J.H. Reiser	3420.00	1710.00
72.	Shi Kwai-ling (\$116.67 in Agronomy Instruction; \$235.33 in Agronomy Farm Crops, items 94 & 95)	360.00	
73.	G.H. Ritchey	2800.00	1400.00
74.	K. S. Sie	2400.00	1200.00
75.	T. H. Shao (\$150.00 in #82; \$160 in #80)	900.00	
76.	A. N. Steward	3200.00	1600.00
77.	Ying Ku (\$450.00 in #83)	960.00	

COLLEGE OF AGRICULTURE, Con.

Eleven assistants:			
78.	Cotton (7) (\$331.00 in #82)		1000.00
79.	Sericulture (4) (\$290.00 in #83)		16500.00
80.	Exper. Gardens, Seeds (see contra #240)		7565.04
81.	Exper. Nurseries (see contra #241)		2557.77
82.	Cotton Improvement Work		3140.00
	(Income contra item #250 -251-252)		5933.13
	C.M.C. Assoc:	109.97	
	Incidentals	7.46	
	Gin	136.13	
	Propaganda	157.23	
	Supplies	1182.60	
	Travel and Station Work	1886.33	
	Personnel	226.78	
	General Account		
	Huggins Funds:	850.44	
	General Account	638.59	
	Travel and Station Work	157.50	
	Supplies	49.06	
	Incidentals	551.05	
	University General Account	<u>5933.13</u>	
83.	Silk Improvement work, (Income per contra		1860.00
	#253, 254, 255)		6957.95
	Publications	21.46	
	Egg Production	950.49	
	Mulberry Collection Exper.	62.78	
	Mulberry Production	198.31	
	Mulberry course	4.00	
	Commercial Production Mulberry	65.38	
	Administration	304.51	
	Mulberry Orchard	84.34	
	Extension Work	1.07	
	University General Account	4474.52	
	Pay Roll, Ma, Ku, Liu, Lin	<u>770.00</u>	
		<u>6957.95</u>	
84.	Incidentals, servants and Printing		1500.00
85.	Light and heat		800.00
86.	Repairs, general and houses		400.00
87.	Swasey building		5000.00
88.	Athletics		200.00
89.	Board		1200.00
90.	Laboratory, botany		
91.	" Bacteriology		
92.	Land		
93.	J. I. Reisner, U.S.A. expenses		
94.	Agronomy, instruction		
95.	Agronomy, Farm Crops		
96.	Forestry, extension		
97.	Forestry, General		
		72.36	
		<u>143.34</u>	
			1362.73
			607.20
			212.17
			50.19
			273.37
			688.13
			304.25
			2.00
			1469.00
			952.21
			178.00
			437.37
			<u>213.79</u>
			<u>70240.00</u>
			<u>45898.80</u>

JUNIOR COLLEGE.

Salaries:			
98.	C. E. Akerstrom	3200.00	1599.96
	" (freight)		29.41
99.	Miss Black	1800.00	799.98
100.	W. F. Huang	3700.00	1850.00
101.	C. H. Kwang (drop)	420.00	
102.	J. T. Illick	3200.00	1600.00
103.	L. Moss	3000.00	1900.00
104.	T. C. Ting (\$390.00 in item #119)	810.00	
105.	Mr. Wade-Jones	2600.00	1299.96
106.	H. T. Yin	720.00	420.00
107.	Caldwell	2600.00	1299.96
108.	Miss Dorland, $\frac{1}{2}$ time	800.00	399.96
109.	Chemistry assistants, Ho and Lo	730.00	330.00
110.	Assistants: Biology (\$96.00 in #117)		
111.	" Physics (\$82.00 in #119)	392.00	
112.	Incidentals and servants	2000.00	534.07
113.	Light and heat	1000.00	758.96
114.	Repairs, general and houses	600.00	318.25
115.	Athletics	400.00	546.75
116.	Board and uniforms	7700.00	4560.36
117.	Equipment:		
	Biology (inc. salary #110 \$96.00)	1000.00	168.96
118.	Equipment; Chemistry	1000.00	4913.41
119.	" Physics (inc. salary #104 \$111,472.00)	1075.00	1645.15
120.	Rent of houses, Akerstrom and Wade-Jones		480.00
121.	Rent of A. Y. "ee house		307.40
122.	Caldwell, Language School		49.50
		<u>38097.00</u>	<u>25762.15</u>

MIDDLE SCHOOL.

Salaries;			
123.	Mr. Dieterich	3200.00	1600.00
124.	Miss Helgate	400.00	533.32
125.	I. T. ou	2080.00	1020.00
126.	C. F. Liu	1020.00	510.00
127.	C. C. Liu	980.00	480.00
128.	Miss Howe	1600.00	799.98
129.	Miss Sloan $\frac{1}{2}$ time	800.00	399.99
130.	M. M. Speers	2820.00	1410.00
131.	Miss Woodbridge	1600.00	799.98
132.	13 Chinese Teachers	5600.00	3414.00

MIDDLE SCHOOL, continued.

133. Incidentals and servants	1900.00	721.72
134. Light and heat	800.00	522.70
135. Repairs, general and houses	1200.00	578.10
136. Athletics	700.00	564.20
137. Board and uniforms	7000.00	3971.10
138. Rent of Speers' house		240.00
139. Equipment, Kan Ho Yen		301.83
140. Suwan Board		110.29
	<u>30780.00</u>	<u>15977.21</u>

MODEL SCHOOL

Salaries;

141. Miss Carr	1300.00	799.93
Miss Wixon	2100.00	1050.00
142. 13 Chinese teachers	5200.00	2471.50
143. Incidentals and servants	1300.00	1161.57
144. Light and heat	900.00	588.02
145. Repairs, general and houses	300.00	144.52
146. Manual training	500.00	190.69
147. Athletics	400.00	322.40
148. Board and Uniforms	6800.00	3687.43
149. Equipment, Kan Ho Yen		100.61
	<u>19100.00</u>	<u>10516.72</u>

LANGUAGE SCHOOL.

150. Salaries Chinese Teachers	10440.00	4536.33
151. Summer Teachers, travel and rent	720.00	
152. Salary, Mr. Keen	2800.00	1400.00
153. Salary, Mr. Wilson	4200.00	2100.00
154. Salary, secretary	720.00	360.00
155. Servants wages	360.00	180.00
156. Fuel	930.00)	
157. Light	100.00)	316.00
158. Normal class expenses	120.00	
159. Repairs and equipment	500.00	1042.49
160. Furnishings and supplies	300.00	
161. Printing	300.00	
162. Lectures	100.00	
163. Books	100.00	
164. Incidentals	300.00	709.53
165. Rent (contra. income item No. 245) 1/2 yr.	2000.00	1000.00
166. Emergency Fund	180.00	
167. Surplus	181.00	
	<u>24291.00</u>	<u>11,644.35</u>

MISS HALL.

168. Food	3145.00	1790.20
169. Fuel	1240.00)	
170. Light	240.00)	1047.52
171. Salary Mrs. Goddard (per contra item No. 217)	1500.00	750.00
172. Servants	1116.00	662.56
173. Repairs	200.00	68.07

MEMOS HALL

174	Furnishings and Equipment	\$ 200.00	\$ 42.64
175	Incidentals	250.00	46.56
176	Emergency Fund	129.00	
		<u>\$13,020.00</u>	<u>4,407.55</u>

OTHER DISBURSEMENTS

	Bills Payable Paid:		7,700.00
177	Bills Payable account		114.84
178	Famine Relief Funds		
179	Hospital Running Expenses (reduction of liability as per Item No. 222)		17,212.91
180	Subscription Periodical Room Account		174.97
	Expenses Not Budgeted:		342.60
181	Construction Dept. Expenses		104.99
182	Equipment, Kuleo		2,646.79
183	General Building Equipment		3.27
184	Sage Chapel expense		2,403.70
185	3 Foreign Houses		473.35
186	Stationery Stock Acct. (Purchased in U.S.A.)		
187	Summer School Expense (less income per contra items 237 - 238)		148.57
188	University Magazine		140.28
189	People's Schools		5.24
	Charges against Scholarship and other Funds:		876.00
190	General Scholarship Funds		684.00
191	Anhwei Fund		434.00
192	Snantung Fund		47.08
193	Student Relief Payments		59.00
194	Forestry Fund Scholarship		210.00
195	Forestry Fund Loan Scholarship		815.58
196	Sundry Students Deposit Accounts (net)		<u>\$34,597.17</u>

<u>ASSETS AND LIABILITIES</u>		Dr.	Cr.
197 Russell Carter Account		\$19,995.94	
198 Taels Account		136.39	
199 Shanghai Commercial & Savings Bank Acct.		2,230.77	
200 Cash in Vault		1,781.89	
201 Alumni Fund			\$4,364.00
202 Bills Payable			796.80
203 Purcell House Account			584.13
204 Hongkong & Shanghai Bank Overdraft:			
Cr. Balance Jan. 1	\$ 8,573.69		
Dr. Balance June 30	<u>12,416.85</u>		
		<u>\$24,144.99</u>	<u>20,990.54</u>
			26,735.47
			<u>24,144.99</u>
			<u>2,590.48</u>

The net difference between the asset and liability accounts as above shows a credit balance of \$2,590.48 and it is necessary to add this figure to the total income in order that the latter may balance with the various expense accounts in summary form.

<u>INCOME AND RECEIPTS</u>			
205 Salaries of Staff Paid by Cooperating Boards		\$49,900.00	\$24,950.00
206 Salaries by Individuals and Companies:			
International Com. for the Improvement			
of Sericulture in China, two-			
thirds of \$2,000		3,820.00	1,333.33
207 Cotton M. O. Assoc'n, $\frac{1}{2}$ of \$4,850		4,500.00	2,425.00
208 Huggins Cotton Funds		2,500.00	2,573.61
209 Forestry Bund Committee		5,000.00	2,500.00
210 D. H. Day		2,000.00	615.99
211 Methodist Centenary (contra item 141)		2,100.00	1,050.00
212 Language School - Mr. Wilson		4,200.00	2,100.00
213 U. S. Dept. of Agriculture		1,600.00	666.31
214 Presbyterian Board Furlough,			
Clamons Est. $\frac{1}{2}$		2,000.00	1,000.00
215 Blackstone, Y. M. C.A. (Twinem)			1,500.00
216 Salary of Mr. Keen			1,400.00
217 Salary of Mrs. Goddard			750.00

Income and Receipts (cont.)

Mission Board Appropriations:					
218	Baptist	University	\$1,400.00		
		Hospital	700.00	\$5,000.00	\$2,100.00
219	Disciples	University	<u>1,508.80</u>		
		Hospital	327.20	6,000.00	1,636.00
220	Meth. Epis.	University	<u>1,400.00</u>		
		Hospital	350.00	6,000.00	1,750.00
221	Presbyterian	University	<u>1,400.00</u>		
		Hospital	350.00	6,000.00	1,750.00
222	China Medical Board	Hospital			17,266.43
Interest on Endowment:					
223	Disciples			4,000.00	3,472.76
224	Methodist			10,000.00	8,681.90
225	Swasey			5,000.00	518.57
Student Fees:					
226	Senior College		3,329.16		
227	Agriculture & Forestry		3,146.42		
228	Junior College		10,155.90		
229	Middle School		10,744.92		
	Model School:				
	Higher Primary		7,218.00		
231	Lower Primary		408.50		
232	Language School		11,349.10		
233	Meigs Hall		5,474.40		
234	Matriculations, K. H. Y.		99.00		
235	Summer Teachers, Lang. Sch.		103.33		
236	Chemistry Breakage Lab.		151.00		
237	Summer Sch. Lodgings K.H.Y.		24.00		
238	" " " Kaleo		116.00		
			<u>52,319.63</u>		
239	Deduct - Fees & Lab. Dep.		31.03	83,000.00	52,288.60
Agricultural Development:					
240	Gardens				
241	Nurseries			16,500.00	9,261.00
242	Cotton Improvement Work, $\frac{1}{2}$ of \$4,850			4,400.00	1,586.41
242	Silk Improvement Work, $\frac{1}{3}$ of 2,000			1,860.00	2,425.00
244	Boston University, paid since G.\$900 July 1				666.67
245	Rent from Language School			3,200.00	
245	Mr. Small's outside work			2,000.00	1,050.00
247	Governor of Shansi			1,000.00	
				2,000.00	

Income and Receipts (concluded)

Special Gifts:			
248	Methodist Epis. G. \$5,000 for Chemistry Lab.		\$9,355.
249	Loverance Memorial Overdraft		16,756.
Cotton Income:			
250	University General Cotton	\$983.70	
251	Cotton Sales, Higgins	200.00	
252	Refund Cotton Impr. Personnel	<u>50.56</u>	1,234.
Sericulture Income:			
253	Commercial Prod. Mul. Trees	553.56	
254	Univ. General Sericulture	5,910.00	
255	Refund Sericulture Salaries	<u>50.56</u>	6,514.12
Funds Received for Special Purposes:			
256	Shantung Scholarship Fund	480.00	
257	Student Relief Fund	82.00	
258	Forestry Fund Scholarship	97.50	
259	Forestry Fund Loan Scholarship	500.00	
260	Forestry Fund Cunninghamia	<u>600.00</u>	1,759.
Collections on Accounts Receivable and Refunds:			
261	Refund Sage Hen. Chapel invoice	44.72	
262	I. F. R. G. salary a/c P. H. Hwa	157.00	
263	Electric Lights Residences (net)	3.08	
264	Regents Diplomas 1921 a/c	458.04	
265	Suspense a/c (net excess of Dr. and Cr.)	1,634.88	
266	Bills Receivable	1,463.23	
268	Kuloo Equipment, Blackstone	179.00	5,939.9
268	Students Loans Repaid		<u>141.5</u>
Sundry:			
269	Rent of Zoon House	150.00	
270	Sale of Pennants	<u>24.00</u>	174.6
			<u>\$231,580.00</u>
			<u>\$187,171.1</u>

SUMMARY OF INCOME AND RECEIPTS

	<u>Budget 1 Yr.</u>	<u>Net Income or Net Expenses 1/2 Yr.</u>
Income and Receipts:		
Summary per Budget	\$231,580.00	
Language School	24,291.00	
Meigs Hall	13,020.00	\$187,171.07
Net Difference of Assets and Liabilities listed (to balance)		<u>2,590.48</u>
	<u>\$268,891.00</u>	<u>\$189,761.55</u>

SUMMARY OF EXPENSES

Administration	\$53,273.00	\$19,782.25
Library	14,740.00	5,875.83
Senior College	24,450.00	13,299.52
College of Agriculture and Forestry	70,240.00	45,898.80
Junior College	38,997.00	25,762.15
Middle School	30,780.00	17,977.21
Model School	19,100.00	10,516.72
Language School	24,291.00	11,644.38
Meigs Hall	13,020.00	4,407.55
Other Disbursements		<u>34,597.19</u>
	<u>\$268,891.00</u>	<u>\$189,761.55</u>

TRIAL BALANCE AFTER CLOSING JUNE /0-1932

Assets:

Cash:

Cash on hand	\$2383.71	
Shanghai C & S Bank	2230.77	
Tsels Account	<u>175.14</u>	\$4789.62

Accounts Receivable:

Bills Receivable	5062.04	
Boston University	2929.81	
Russell Carter	2222.65	
Z. T. Ing	837.81	
Residence Electric Lights	54.73	
Library, Cooperation with		
Washington	<u>230.96</u>	11318.00

Scholarships, Loans, etc:

Anhui Scholarship Fund	514.00	
Shantung Scholarship	6.00	
Student Loans	46.77	
Student Deposits,		
Tsai Hwa-yen	130.50	
Regents' Diplomas	<u>193.68</u>	870.95
Stationary Stock Account		473.35
Suspense Account		<u>1928.78</u>
		\$19380.70

Liabilities:

Bank Overdraft:		
Hong Kong and Shanghai Bank		12416.85

Accounts Payable:

Bills Payable	11303.98	
Alumni Fund	8539.33	
Hospital Funds	44007.82	
Miss Purcell's House Account	985.85	
Subscription Periodical Room	<u>59.58</u>	64896.56

Scholarship and Relief Funds

Payable:		
Forestry Fund Scholarship	5.75	
Forestry Fund Loan		
Scholarship	1430.00	
Anhui Scholarship	76.00	
Student Relief Funds	<u>448.83</u>	1960.58

Student Deposit Accounts:

1	146.30	
2	31.50	
3	30.50	
4	16.80	
5	110.15	
6	<u>.55</u>	335.78

Liabilities (Continued)

Property Fund Accounts			
McCormack Territories	5978.34		
Property Funds	<u>15379.79</u>	<u>21299.15</u>	<u>\$100908.90</u>

INCOME ACCOUNT BALANCES FOR SPECIAL PURPOSES:

Agriculture and Forestry:			
University General Cotton Funds	523.35		
Huggins Cotton Funds	1391.38		
Forestry Fund, Cunningham Grant	1100.00		
Sericulture, Commercial Production Mulberry	598.13		
Sericulture, University General	<u>1435.48</u>	<u>5355.82</u>	

Tuition Fees Surplus:

Language School	9734.34		
Weigs Hall Fees	<u>2255.80</u>	<u>11990.14</u>	

Sundry Funds and Income:

Athletics, Kuleo	478.05		
Athletics, Faculty	149.78		

INCOME ACCOUNT BALANCE FOR SPECIAL PURPOSES:

Sundry Funds and Income:			
Y.M.C.A., Kuleo	534.30		
Famine Relief	26.23		
University Magazine	35.00		
Severance Memorial	<u>433.00</u>	<u>1656.36</u>	<u>19002.32</u>

(The items listed under the heading "Income Account Balances for Special Purposes" is really a liability, for if the total cash on hand as of June 30 were applied on these credits there would be a deficit to the extent of \$14,212.70)

EXPENSE DEFICIT ACCOUNTS:

College of Agr. And Forestry:			
Agronomy, Farm Crops	333.37		
Gardens, General Acct.	298.45		
Gardens, Buildings	389.46		
Gardens, Nursery	971.38		
Chinese Teachers	1798.46		
Foreign Teachers	3644.11		
J.H. Reigner, USA Expense	3538.11		
(Probably the major portion of the deficit on Land a/o \$17,974.55 belongs to Agriculture)		<u>10971.32</u>	
Soil Improvement, General		<u>687.77</u>	

TRIAL BALANCE AFTER CLOSING JUNE 30-1922 - No. 3

EXPENSE DEFICIT ACCOUNTS (Continued)

Sericulture:			
Egg production	1478.74		
Sericulture Course	1837.10		
Administration	304.51		
Extension Work	1.07		
Publications	21.45		
Administration Salaries	<u>1254.44</u>	4675.31	
		<u>16534.40</u>	
Laboratory:			
Biology	184.68		
Botany	270.09		
Chemistry	9970.24		
Physics	<u>1231.90</u>	12246.91	
Salaries:			
Administration Foreign	3255.98		
Library Helpers	2182.05		
Senior College Chinese	2197.18		
Middle School Chinese	737.79		
Senior College Foreign	5638.18		
Agriculture and Forestry under Agriculture	4359.93		
Junior College Foreign	3689.47		
Middle School Foreign	60.00	21126.58	
Y.M.C.A., Kan Ho Yen			
Equipment:			
Kualo	843.79		
General Building **	14505.53		
Kan Ho Yen	<u>402.44</u>	15751.76	
Property and Plant:			
Three Foreign Houses	899.83		
Swasey Bldg.	5596.04		
Sage Chapel	123.08		
Grounds, Kualo	1522.58		
Land (mostly for College of Agriculture)	<u>17874.55</u>	26116.06	
		17447.11	
		<u>64587.5</u>	
Sundry:			
J. E. Williams USA Expense	1088.65		
Furlough Fund Expense	5419.96		
Exchange and Interest	901.30		
Uniforms	390.31		
Athletics Kan Ho Yen	240.73		
Book Store	451.94		
Summer School	148.57		
Students' Laboratory	<u>113.45</u>	2754.81	100,530.52

TRIAL BALANCE AFTER CLOSING JUNE 30-1933 - No. 4

SUMMARY:

Assets	\$18,380.70	
Expense Deficit Accounts	<u>100,530.53</u>	\$118,911.23
Liabilities	100,908.90	
Income Special Purposes	<u>19,002.32</u>	\$119,911.22

** "General Building Equipment" under "Expense Deficit Accounts" is undoubtedly an asset account, but is certainly not quickly realizable for current purposes and therefore may not be regarded as a very current asset.

Respectfully submitted,

Acting Treasurer

246

MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF
MANAGERS OF THE UNIVERSITY OF NANKING - 11 November 1922

The Executive Committee of the Board of Managers of the University of Nanking met at 8 P. M. on 11 November 1922 at the home of Mr. Sarvis, after a meeting of the Finance Committee of the Board of Managers on the same day, which had been called to make a study of the budget for 1923, according to the instructions of the Board of Managers on 10 October 1922 (M-14), namely:

That we refer the budget of 1923 to the Executive Committee with power, and that we request the heads of departments and the Finance Committee to make further study of this budget with the understanding that, if possible, \$20,000 be made available to apply on the deficit.

There were present Messrs. E. H. Cressy, F. Garrett, G. C. Hood (alternate for J. E. Williams), E. C. Lobenstine, S. J. Mills, J. T. Proctor, G. W. Sarvis, and W. F. Wilson. By request Mr. Reisner was also present.

In the absence of the Chairman, Dr. Bowen, Dr. Proctor was chosen as acting chairman.

The budget as recommended by the Finance Committee was presented. It was

EM-32 MOVED AND CARRIED: That we approve the budget as revised by the Finance Committee, embodying a reduction of the original budget by the amount of \$10,000.

The recommendations of the chairman of the Finance Committee in regard to financial policy were presented as follows:

I. Control of the Budget.

1. The budget shall be adopted by the Board of Managers.
2. The budget shall be subject to revision by the Board of Managers through its Executive Committee at least twice a year, with the proviso that any revision which calls for extra funds from the Board of Trustees shall be subject to their approval.
3. The treasurer shall be held responsible for not exceeding the budget or any item thereof.
4. The treasurer shall decide questions as to classification of accounts. In case of dispute the matter shall be referred to the Board of Managers or the Executive Committee for definition.

II. Control of Expenditure.

1. Upon adoption of the budget by the Board of Managers a statement of the amount of its appropriation shall be made by the treasurer to each department and every month thereafter a statement of the balance of appropriation.
2. Each department shall be required to keep its expenditures within the limit of its appropriation.

3. Each department shall make requisition for proposed expenditures giving details and estimates of cost based on catalogue prices or certified to by the purchasing agent, which requisitions shall be approved by the treasurer before the expense is incurred.
4. Requisitions shall not be approved if the appropriations for them are insufficient.
5. Expenditures for salaries for the entire year may be covered by one requisition.
6. A blanket requisition may be made by each department covering its sundry small expenses for an entire month.

III. The adoption of Arnett's "College and University Finance" as a basis for the conduct of the financial operations of the University. (It was understood that this action is not to be so interpreted as to hinder us from making such changes and additions as we may desire, that may be suggested by the Advisory Council of Christian Colleges and Universities in East China.) After discussion it was

EM-33 MOVED AND CARRIED: That these recommendations be adopted.

In addition to the above recommendations, the chairman of the Finance Committee called attention to certain fundamental principles in Arnett's book. It was

EM-34 MOVED AND CARRIED: That a copy of these principles as presented by the Chairman of the Finance Committee be duplicated and sent to each member of the Board of Managers.

It having come to the knowledge of the Executive Committee, that a large fund had been given to the University for the use of the College of Agriculture and Forestry, it was

EM-35 MOVED AND CARRIED; That we instruct the Finance Committee to make a study of the plans of the College of Agriculture and Forestry, and report to the next meeting of the Board of Managers or of the Executive Committee.

With reference to the plans of the Alumni in regard to the Department of Business Administration and the Alumni Hall building, it was

EM-36 MOVED AND CARRIED: That the Finance Committee make further inquiry and report to the next meeting of the Board of Managers or the Executive Committee.

The Hospital Committee presented the following request: "Considering that the present cash balance of approximately \$29,000 Mexican, plus the credit balance due the Hospital, is far above the sufficient amount for completion, and considering further the statement from Mr. Small that if necessary construction could be stopped after the basement and first floor, including the second floor, had been completed for use, without dete-

rioration of the materials used, and at the cost of less than \$20,000, it was resolved that the Board of Managers through the meeting of their Executive Committee to be held on November 11 next be requested to reconsider M-19 of their last meeting in favor of a motion allowing construction of 'Unit 1' of the new hospital wards to be started as soon as the contract can be let." After discussion, it was

EM-37 MOVED AND CARRIED: That we approve of the recommendation of the Hospital Committee and accede to their request.

The following general principles for conducting the financial affairs of the University, suggested by the chairman of the Finance Committee, were presented to the Executive Committee for approval:

1. The institution shall be dealt with as a whole. For the purpose of accounting, the salaries of all members of the staff, including all missionaries directly supported by cooperating boards, shall be put into the general funds of the University and allocated to the various departments according to the needs of the institution as a whole, and shall not be earmarked for the various departments of the University. Exception shall be made in the case of work and workers supported by special gifts and accepted by the Board of Managers. It is, however, understood that in payment of salaries of the staff the schedule of salaries obtaining in the mission of each member concerned will be followed.

2. In determining the financial policy of the University a clear distinction should be made between instructional and research work, on the one hand, and extension and non-instructional work on the other.

3. Instructional work in those departments which lead up to a college degree should have a prior claim upon the finances of the institution.

4. Dormitories, dining halls, athletics, and the like should be on a strictly self-supporting basis.

After discussion of these recommendations, it was

EM-38 MOVED AND CARRIED: That the general recommendations for conducting the financial affairs of the University, presented by the Chairman of the Finance Committee, be adopted.

Dr. Frank Garrett led in prayer.

The Committee then adjourned, to meet at the call of the Chairman before the middle of January 1923.

W. F. Wilson, Secretary.

Budget 1923

FILING DEPT.

MAR 21 1923

MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF MANAGERS OF THE UNIVERSITY OF NANKING - 11 November 1922.

The Executive Committee of the Board of Managers of the University of Nanking met at 8 P. M. on 11 November 1922 at the home of Mr. Sarvis, after a meeting of the Finance Committee of the Board of Managers on the same day, which had been called to make a study of the budget for 1923, according to the instructions of the Board of Managers on 10 October 1922 (M- 14), namely:

That we refer the budget of 1923 to the Executive Committee with power, and that we request the heads of departments and the Finance Committee to make further study of this budget with the understanding that, if possible, \$20 000 be made available to apply on the deficit.

There were present Messrs. E. H. Cressy, F. Garrett, G. C. Hood (alternate for J. E. Williams), E. C. Lobenstine, S. J. Mills, J. T. Proctor, G. W. Sarvis, and W. F. Wilson. By request Mr. Reiser was also present.

In the absence of the Chairman, Dr. Bowen, Dr. Proctor was chosen as acting chairman.

The budget as recommended by the Finance Committee was presented. It was

EM- 32 MOVED AND CARRIED; That we approve the budget as revised by the Finance Committee, embodying a reduction of the original budget by the amount of \$10,000.

The recommendations of its chairman to the Finance Committee in regard to financial policy were presented as follows:

I. Control of the Budget.

1. The budget shall be adopted by the Board of Managers.
2. The budget shall be subject to revision by the Board of Managers through its Executive Committee at least twice a year, with the proviso that any revision which calls for extra funds from the Board of Trustees shall be subject to their approval.
3. The treasurer shall be held responsible for not exceeding the budget or any item thereof.
4. The treasurer shall decide questions as to classification of accounts. In case of dispute the matter shall be referred to the Board of Managers or the Executive Committee for definition.

II. Control of Expenditure.

1. Upon adoption of the budget by the Board of Managers a statement of the amount of its appropriation shall be made by the treasurer to each department and every month thereafter a statement of the balance of appropriation.
2. Each department shall be required to keep its expenditures within the limit of its appropriation.
3. Each department shall make requisition for proposed

expenditures giving details and estimates of cost based on catalogue prices or certified to by the purchasing agent, which requisitions shall be approved by the treasurer before the expense is incurred.

4. Requisitions shall not be approved if the appropriations for them are insufficient.
5. Expenditures for salaries for the entire year may be covered by one requisition.
6. A blanket requisition may be made by each department, covering its sundry small expenses for an entire month.

III. The adoption of Arnett's "College and University Finance" as a basis for the conduct of the financial operations of the University. (It was understood that this action is not to be so interpreted as to hinder us from making such changes and additions as we may desire, that may be suggested by the Advisory Council of Christian Colleges and Universities in East China.) After discussion it was

EM- 33 MOVED AND CARRIED: That these recommendations be adopted.

In addition to the above recommendations, the chairman of the Finance Committee called attention to certain fundamental principles in Arnett's book. It was

EM- 34 MOVED AND CARRIED: That a copy of these principles as presented by the chairman of the Finance Committee be duplicated and sent to each member of the Board of Managers.

It having come to the knowledge of the Executive Committee that a large fund had been given to the University for the use of the College of Agriculture and Forestry, it was

EM- 35 MOVED AND CARRIED: That we instruct the Finance Committee to make a study of the plans of the College of Agriculture and Forestry, and report to the next meeting of the Board of Managers or of the Executive Committee.

With reference to the plans of the Alumni in regard to the Department of Business Administration and the Alumni Hall building, it was

EM- 36 MOVED AND CARRIED: That the Finance Committee make further inquiry and report to the next meeting of the Board of Managers or the Executive Committee.

The Hospital Committee presented the following request: "Considering that the present cash balance of approximately \$29,000 Mexican, plus the credit balance due the Hospital, is far above the sufficient amount for completion, and considering further the statement from Mr. Small that if necessary construction could be stopped after the basement and first floor, including the second floor floor, had been completed for use, without deterioration of the materials used, and at the cost of less than \$20,000, it was resolved

that the Board of Managers through the meeting of their Executive Committee to be held on November 11 next be requested to reconsider M- 19 of their last meeting in favor of a motion allowing construction of "Unit 1" of the new hospital wards to be started as soon as the contract can be let." After discussion it was

EM- 37 MOVED AND CARRIED: That we approve of the recommendation of the Hospital Committee and accede to their request.

The following general principles for conducting the financial affairs of the University, suggested by the chairman of the Finance Committee, were presented to the Executive Committee for approval:

1. The institution shall be dealt with as a whole. For the purpose of accounting, the salaries of all members of the staff, including all missionaries directly supported by cooperating boards, shall be put into the general funds of the University and allocated to the various departments according to the needs of the institution as a whole, and shall not be earmarked for the various departments of the University. Exception shall be made in the case of work and workers supported by special gifts and accepted by the Board of Managers. It is, however, understood that in payment of salaries of the staff the schedule of salaries obtaining in the mission of each member concerned will be followed.

2. In determining the financial policy of the University a clear distinction should be made between instructional and research work, on the one hand, and extension and non-instructional work on the other.

3. Instructional work in those departments which lead up to a college degree should have a prior claim upon the finances of the institution.

4. Dormitories, dining halls, athletics, and the like should be on a strictly self-supporting basis.

After discussion of these recommendations it was

EM- 38 MOVED AND CARRIED: That the general recommendations for conducting the financial affairs of the University, presented by the chairman of the Finance Committee, be adopted.

Dr. Frank Garrett led in prayer.

The committee then adjourned, to meet at the call of the Chairman before the middle of January 1923.

W. F. Wilson, Secretary.

Extract from Report of the Chairman of the Finance
Committee of the Board of Managers of the University of Nanking
to the Executive Committee, 11 November 1922.

The budget as presented embodies the recommendations made in Arnett's 'College and University Finance' and gives a comprehensive idea of the same. Attention should, however, be called to certain fundamental principles.

I. Clear-cut definition between (Arnett, p. 18)

- (1) Plant
 - (a) Land, Building, Equipment
- (2) Operation

II. Expense of operation may be divided into four classes (Arnett, p. 19)

- (1) Operation of the College as such
- (2) Operation of auxiliary Departments
- (3) Operation of dormitories, dining halls, book store, etc.
- (4) Raising funds

III. No. 1 immediately above - the operation of the college as such (i. e., the college proper) - falls into three groups

- (1) Administration in general
- (2) Operation and maintenance of physical plant
- (3) Instruction

Particular attention should be called to page 70 of "How Estimates of income should be made," and to page 78 of the process of making a budget, as follows:-

(1) Data for the instructional division collected by the president, the details for each department being supplied by the person in charge.

(2) Estimates for administration and general expense prepared by the treasurer based on statements from the several executive officers.

(3) Estimates for operation and maintenance of physical plant prepared by the person in charge of buildings and grounds.

(4) The estimates and recommendations of the three above divisions should be received and reviewed by the treasurer for presentation by the president to the Board of Managers.

(5) Specially prepared forms should be printed and used in order that all estimates should be uniform.

As indicated on page 56 a record containing a complete description of the physical plant should be prepared, which should be carried on the books at actual cost and not at estimated values.

The auxiliary departments, and dining halls, dormitories and the like, should be operated on a self-supporting basis.

Student fees should be paid in advance in full. (Arnett, page 13). At the present time there are \$6,500 of unpaid tuition fees on the books. This rule should be followed strictly for it is to the advantage of the student in training him in good business principles and benefits the college by the prompt receipt of cash, by eliminating the expense of collection, and by avoiding bad debts. Experience shows that the enforcement of this rule has not had the effect of working a hardship on the poor student and excluding him from college.

Attention should be particularly called to the various tables and schedules in the volume by Arnett. It is highly desirable that all colleges and universities in East China follow Arnett as closely as possible in order to promote comparison and study of educational costs. It might be well to have such blanks printed by the Advisory Council for use in all institutions.

GENERAL PRINCIPLES FOR GUIDANCE IN MAKING CUTS IN BUDGET.

1. Stop all loss and make readjustments to effect savings wherever possible in all departments.
2. Put all non-educational work on a self-supporting basis, including a 5% reserve for contingencies.
3. Apply funds available to the budgets of the various departments in order, beginning with the Senior College and ending with the Kindergarten, thus taking care of the higher departments and making more drastic readjustments lower down.

UNIVERSITY OF NANKING

Budget for First Six Months of 1923 (Abridged form)

I. ADMINISTRATION

	Pd. by Univ.	Pd. by Board
A. EXECUTIVE		
(a) President's Office	\$2,512.50	
(b) Treasurer's Office	3,374.50	
(c) Registrar's Office	456.00	\$1,040.00
B. GENERAL		
	2,125.00	
C. FINANCIAL MANAGEMENT		
	325.00	
	8,793.00	1,040.00

II. OPERATION AND MAINTENANCE OF PLANT

A. SUPERINTENDENCE			925.00
B. CARE AND MAINTENANCE OF GROUNDS, BUILDINGS AND EQUIPMENT			
(a) Kuleo Buildings	3,489.00		^{24/}
(b) Kan Ho Yen Buildings	3,293.00		
(c) Language School Buildings	2,178.00		
(d) Faculty Residences	2,904.00		
	12,769.00		^{54/}

III. INSTRUCTIONAL

A. SENIOR COLLEGE			
(a) Dean's Office	20.00	180.00	
(b) Salaries for Instruction	4,317.50	3,905.00	
(c) Departmental Supplies and Expenses	400.00		
(d) Departmental Equipment	3		
B. JUNIOR COLLEGE			
(a) Dean's Office	50.00	180.00	
(b) Salaries for Instruction	7,989.78	1,380.00	
(c) Departmental Supplies and Expenses	1,410.00		
(d) Departmental Equipment	2		
C. AGRICULTURE AND FORESTRY			
(a) Dean's Office	1,900.00	2,040.00	
(b) Salaries for Instruction	4,366.00	7,620.00	
(c) Departmental Supplies and Expense	1,983.00		
(d) Departmental Equipment	170.00		
	22,606.28	15,305.00	
D. MIDDLE SCHOOL			
(a) Principal's Office	504.00	1,150.00	
(b) Salaries for Instruction	6,568.60	5,390.00	
(c) Departmental Supplies and Expenses	947.00		
(d) Departmental Equipment (Library)	125.00		
	8,144.50	6,546.00	

Budget for first six months
of 1923 (Abridged form)

III. Instructional
(continued)

	Pd. by Univ.	Pd. by Board
E. MODEL SCHOOL		
(a) Principal's Office	262.00	1,050.00
(b) Salaries for Instruction	4,572.50	
(c) Departmental Supplies and Expenses	1,187.00	
(d) Departmental Equipment	125.00	
	6,246.50	1,050.00
F. LANGUAGE SCHOOL		
(a) Dean's Office	950.00	2,635.00
(b) Salaries for Instruction	4,416.00	
(d) Departmental Supplies and Expenses	290.00	
(d) Departmental Equipment	75.00	
	5,731.00	2,635.00
G. LIBRARY		
(a) Librarian's Office	3,255.00	
(b) Departmental Supplies and Equipment	550.00	
(c) Departmental Equipment (books)	750.00	
	4,555.00	

IV. CONTINGENT 2,270.00

V. NON-STRICTLY EDUCATIONAL WORK

General		
(a) Dormitories - Kuleo Group	2,515.00	
(b) " Kan Ho Yen Group	1,076.00	
(c) " Meigs Hall	100.00	
(d) Dining Halls - Kuleo Group	1,411.00	400.00
(e) " Kan Ho Yen Group	8,708.00	
(f) " Meigs Hall	8,253.50	
(g) University Promotion	3,640.00	400.00
(h) Uniforms	2,622.00	2,250.00
(i) Regents Diplomas	862.50	
(j) Construction Department	381.00	
(k) Deferred Charges	1,475.00	
(l) Sinking Fund and Furlough Fund	1,570.00	
(m) Agricultural Experiment Station	18,900.00	
(n) Miscellaneous	23,990 17,240.00	
	11,700.00	
	80,454.00	3,050.00
	87,204	

IX. DISTRIBUTION OF OVERHEAD

(a) Senior College	2,105.00
(b) Junior College	5,235.00
(c) Agriculture and Forestry	4,345.00
(d) Middle School	4,413.00
(e) Model School	2,709.50
(f) Administration	3,969.50
	22,777.00

Budget for First Six Months
of 1923 (abridged form)

BUDGET INCOME

A. FOR STRICTLY EDUCATIONAL PURPOSES

I. From Student Fees

(a) Senior College	3,202.00	
(b) Junior College	11,948.00	
(c) Agriculture and Forestry	3,856.00	
(d) Middle School	9,552.00	
(e) Model School	7,857.00	
(f) Special Students	485.00	
(g) Language School	7,020.00	

II. From Endowment Investments

(a) Income for General Purposes - unrestricted	9,500.00	
(b) For General Purposes - restricted	875.00	

III. From Gifts and Grants

(a) For General Purposes - unrestricted	12,000.00	
(b) For General Purposes - restricted		
(1) Personnel, Cooperating Boards		29,095.00
(2) Personnel, Individuals and companies	10,160.00	1,800.00
(3) Mission Board Appropriations	1,500.00	

IV. From Miscellaneous Sources

	7,950. ⁷⁸	
	<u>85,905.78</u>	<u>30,895.00</u>

B. FOR NON-STRICTLY EDUCATIONAL WORK

I. From Students

33,570.50

II. From Endowment Investments

III. From Gifts and Grants and Sales

(a) For General Purposes - restricted		
(1) Personnel	2,000.00	
(b) For General Purposes - restricted		
(1) Agricultural Development	20,430.00	800.00
(2) Dr. Williams' Expenses, U. S. A.	2,000.00	

IV. Reserve for Buildings

	11,810.00	
	<u>59,810.50</u>	<u>800.00</u>

Summary

<u>EXPENDITURES</u>		Pd. by Univ.	Pd. by Boards
I. Administration		8,703.00	1,040.00
II. Operation and Maintenance of Plant		12,541.00	
III. Instructional		22,306.28	15,305.00
A. Colleges		8,144.50	6,540.00
B. Middle School		6,246.50	1,050.00
C. Model School		5,731.00	2,635.00
D. Language School		4,555.00	
E. Library		2,270.00	
IV. Contingent Fund		87,304.00	3,050.00
V. Non-strictly Educational Work			
		<u>157,791.28</u>	<u>29,020.00</u>
		29,620.00	
		<u>187,411.28</u>	
<u>INCOME</u>			
A. For strictly Educational Purposes		85,905.78	30,895.00
B. For non-strictly Educational Work		<u>69,810.50</u>	<u>800.00</u>
		155,716.28	31,695.00
		<u>31,695.00</u>	
		<u>187,411.28</u>	
Total Income		187,411.28	
Total Expenditures		<u>187,411.28</u>	

2/2

Meeting of the Finance Committee of the Board of Managers
of the University of Nanking - 11 November 1922.

The meeting was called to order at 8:30 A. M. by the chairman, Mr. E. H. Cressy.

The following members of the committee were present: Messrs. E. H. Cressy, chairman, C. E. Akerstrom, A. J. Bowen, E. C. Lobenstine, S. J. Mills, J. P. Proctor, G. W. Sarvis; also F. Garrett, G. C. Hood (alternate for J. E. Williams), and W. F. Wilson, of the Executive Committee; and Miss A. M. Wixon, Principal of the Model School.

Prayer was offered by Mr. Cressy. Mr. Akerstrom was appointed Secretary pro tem.

MOVED AND CARRIED: That the "Three General Principles" as presented by the chairman be opened for discussion.

The "General Principles" were as follows:

(1) The Institution shall be dealt with as a whole. Salaries of missionaries shall not be earmarked for the various departments but shall be put into general funds of the University and allocated to the various departments according to the needs of the institution as a whole.

On this basis it shall not be permissible to consider the salaries of missionaries now identified with any department as a part of the income of that department. Such income shall be limited to

1. Students' fees.
2. Monies received from outside mission board constituencies for special purposes.

(2) The objective of the University cannot be defined in terms of all its departments. (The case of an institution which includes in addition to the college and professional school a kindergarten and an auxiliary department like the Language School.)

In case of a lack of funds, application of funds of the University should first be made to the departments of collegiate grade. If any funds remain over, they should be applied next to the departments of secondary grade and finally to those of primary grade. It is fatal to the development of the collegiate departments to keep them on the same footing as the primary and secondary departments.

(3) A sharp division should be made between strictly instructional and non-instructional departments. Instructional, in this case, is defined as instruction of the students of the University leading to a degree. The Language School does not, therefore, fall within this class, nor does extension work of any sort. Dormitories, dining halls, book room and departments of that general type should be on a strictly self-supporting basis.

MOVED AND CARRIED: That the first paragraph of the first section be amended to read as follows:

The salaries of all members of the staff, including all missionaries directly supported by cooperating boards, shall be put into the general funds of the University and allocated to the various departments according to the needs of the institution as a whole, and shall not be earmarked for the various departments of the University. Exception shall be made in the case of work and workers supported by special gifts and accepted by the Board of Managers.

After further discussion it was

MOVED AND CARRIED: That the wording of the other two sections be referred to a special committee for amendment with instructions to report at the afternoon session.

It was moved and carried that when the committee should adjourn at 12:15 M. it should meet again at 1:45 P. M.

The chairman then outlined some of his views as to possible savings for the ensuing six months' period, among which were savings of the following amounts in the Middle School budget:

Business Administration	\$2,500.00
English	2,000.00
Geography	1,000.00
	500.00
	<u>5,000.00</u>

More generally he spoke with reference to possible savings in the Meigh Hall, Language School and Administration (Treasurer's Office) budgets.

The meeting adjourned at 12:15M.

Afternoon Session

The afternoon session was called to order at 2:10 P. M. by the chairman.

In addition to those present at the morning session, Mr. J. H. Reisner, Dean of the College of Agriculture and Forestry was also present.

Prayer was offered by Dr. Garrett.

MOVED AND CARRIED: That the Finance Committee proceed to hear and act upon the report of the sub-committee appointed at the morning session (Messrs. Bowen, Cressy and Lebenstine), and that the whole question of the budget be opened for discussion.

274

MOVED AND CARRIED: That the remaining sections of the "General Principles" as offered by the chairman be amended to read as follows:

In determining the financial policy of the University a clear distinction should be made between instructional and research work on the one hand and extension and non-instructional work on the other.

Instructional work in those departments which lead up to a college degree should have a prior claim upon the finances of the institution.

Dormitories, dining halls, athletics, and the like should be on a strictly self-supporting basis.

MOVED AND CARRIED: That the report of the sub-committee be adopted.

MOVED AND CARRIED: That we make a revision of the budget on the basis of a reduction of \$16,000, with a proviso that the minimum amount of reduction shall be \$10,000.

MOVED AND CARRIED: That an addition of \$5,000 be credited to the income from the Construction Department on account of Mr. Small's services in connection with the new Sericulture building, Famine Fund residences (5), and Hospital building.

MOVED AND CARRIED: That any additional earnings by Mr. Small be credited towards the reduction of the present deficit.

MOVED AND CARRIED: That Mr. Irving T. Hu, of the Department of Education, be dropped from the University staff as of February 1, 1925, with a saving of four months' salary amounting to \$720.

MOVED AND CARRIED: That Miss Black be dropped, her return home expenses amounting to \$800, the same resulting in a saving of \$800 for the second half of 1925.

MOVED AND CARRIED: That the amount budgeted for library books, amounting to \$1,500, be reduced to \$750.

MOVED AND CARRIED: That Item No. 261, for an additional teacher in the Middle School, be eliminated, with a saving of \$400.

MOVED AND CARRIED: That Items Nos. 322 to 325 (for departmental equipment in the Model School), and the item for library equipment in the Model School be reduced from \$200 to \$100, and from \$125 to \$25, respectively.

MOVED AND CARRIED: That the Higher Primary fees be raised \$6.00, beginning with the spring semester of 1925, bringing in additional income to the extent of \$1,500.

MOVED AND CARRIED: That Item No. 288 (equipment for the Department of Business Administration in the Middle School) be eliminated, thus saving \$752.

The following changes were also made in the budget:

Item No. 11	Registrar's Office expense and supplies	from \$130 to \$30
" "	63 Dean of Senior College office supplies and expense	" 120 " 20
" "	106 Senior College Departmental supplies and expenses	" 500 " 400
" "	122 Senior College Departmental equipment	to be eliminated (\$420)
" "	183 Junior College Departmental equipment	" " " (\$600)
" "	238 Department of Chemistry equipment	" " " (\$300)
" "	239 Department of Botany equipm't	from \$270 to \$70, and \$200 for Departmental Supplies and Expenses (No. 230)
" "	241 Department of Forestry equipment	to be eliminated (\$50)
" "	294 Model School, Principal's Office Supplies and Expenses	from \$200 to \$100
" "	405 Salary for Athletics Assistant,	to be eliminated (\$240) same to be included in the preceding amount, \$1,555.
" "	454 and 454 Salary of Preceptress, Meigs Hall	to be eliminated (\$800)

MOVED AND CARRIED: That Mr. J. H. Blackstone be requested to take care of Mr. Wang Chang's full salary in connection with the Y. M. C. A. work at Kan Ho Yen.

MOVED AND CARRIED: That provision be made for a budget for Summer School for 1923 on the same basis as in 1922, with the provision that the entire expense be provided for by fees and special gifts.

MOVED AND CARRIED: That we estimate in our income for Meigs Hall \$800 additional to cover Mrs. Goddard's salary and that Mr. Keen be requested to provide for it out of the board fees from that dormitory.

It was moved and carried that the committee adjourn to meet at Mr. Sarvis' home at 8 P. M.

The meeting then adjourned at 6 P. M.

Respectfully submitted,

C. E. Akerstrom,

Secretary pro tem.

THE SITUATION

At the meeting of the Board of Managers in October 1921 announcement was made that the University had a deficit of \$79,000, which had been discovered a month previous to the meeting. In facing this situation the Board requested the Home Boards to assume the burden and approved a budget for the ensuing year calling for a deficit of \$17,000. This budget was later revised by the faculty so as to balance expenditures by income, in spite of which the expenditures of the year showed an apparent deficit of \$26,000.

The situation calls for action along two lines: first, an analysis of causes with a view to preventing their recurrence; second, the inauguration of a new policy.

ANALYSIS

In plain English the essential element of the situation seems to be that trust funds have been used for current expenses. If the funds so used had belonged to parties outside the university some of those concerned, the writer includes himself as a member of the Board of Managers, might now be facing legal action. As it is, the deficit of the present year, on top of the unexpected heavy deficit of the year before, constitutes a situation calculated to undermine the confidence of the contributors in the management of the institution. It is therefore desirable to attempt to ascertain what defects of management have been contributory.

BOARD OF MANAGERS

In accordance with the common American practice the control of the University is in the hands of a Board of Managers. The present situation is partly due to the fact that the Board of Managers has not taken its responsibility seriously. It has had, and rightly, full confidence in the integrity and ability of the personnel of the University, and, as is too often the practice in institutions of the sort, has been contented to leave in large measure the management of the University to its administrative officers. Certain facts have contributed toward making the Board take little more than a perfunctory responsibility.

1. The Board is too large. This is due to the necessity of giving adequate representation to a considerable number of cooperating missions and of providing for both Chinese and foreign representation. The result is that the Board is too large to meet often enough to give close attention to the affairs of the University.

2. The time spent by the Board has been entirely inadequate. Only occasionally has there been more than one meeting per year. No annual meeting has generally consumed more than one day. The Board of Trustees of Harvard University meets every two weeks, and the ordinary practice calls for a monthly meeting.

3. The Board of Managers does not actually function as such. The object of a Board of Managers is to provide an outside control representing the financial backing of the institution with the aim of setting the faculty free for administrative and instructional work within the University, and of saving them from the necessity of taking responsibility in matters which might cause division or otherwise lower morale. An examination of the minutes will show that in several recent meetings the members of the Board of Managers outside of the University have been outnumbered by faculty members. This practically nullifies the Board as such, and confuses the functions of faculty and managers. The Board in such cases actually represents the faculty more than the con-

Contributors.

ACCOUNTING SYSTEM. The budget failed to control the expenditures of the institution because a gap existed between it and the accounting system. The latter should have served as a basis for the former, but the Finance Committee was unable to recommend a budget at the last meeting of the Board of Managers because the budget and the accounting system could not be brought into agreement. It is, therefore, necessary to recast the accounting system, and this involves in the first place an examination of the system as it is at present. The following enumeration of defects is based upon study and analysis of the books which have been carried on over a period of about four weeks.

(1) Lack of proper analysis. In endeavoring to compare the same account for different periods of one half year each it was found that in numbers cases there was considerable fluctuation. On examination this proved to be the result of imperfect analysis. For example, a laboratory account was found to include salaries and equipment. Not only is this the case in individual accounts but there are numerous instances where the same items are one month placed in one account and another month in another account so that certain accounts are practically duplicates.

(2) The distribution by periods is not clear cut. One reason for this is that the fiscal year does not coincide with the school year. The year ending December 31st is particularly unfortunate as accounts for the fall semester cannot be closed until February. Furthermore remittance from New York and supplies ordered in America often involve delay from one period to another. In addition to this, however, large amounts of unpaid bills have been carried from one period to the next. Students fees have not been promptly collected. The financial operations of the institution have not been kept up to date.

(3) Too few accounts. Thus the students' fees, while analyzed in detail in the President's report, have been lumped together in ledgers. Again, interest and exchange have been kept together which does not reveal the fact that \$1800 interest on overdrafts at the bank have been paid out during the last three years.

(4) Incomplete separation of income and outgo. These should be placed in separate accounts, otherwise the balance sheet shows only the resultant of two unknown quantities.

(5) Too many transfers from one account to another. Accounts should instead be closed into one surplus and deficit account.

(6) Capital and current accounts have not been kept separate. Failure here is perhaps one of the largest contributing causes of the present deficit.

(7) The accounting system is incomplete as it does not include salaries paid by the Boards.

To sum up, the accounting system has little value beyond that of cash ~~key~~ book. It might be characterized as a double entry system on a cash basis. Reference to previous reports of the treasurer will show a large place given to trial balances. The trial balance is only a preliminary step. If it is incorrect it is a sign that something is wrong, but if it balances it is no sign that everything is all right. This is about the extent of the value of the books as kept at present. A month of work in analysing them has given chiefly a negative result, and it would be almost impossible to base an adequate budget upon them as they now stand.

It is desirable that university accounts should provide the following:-

1. Accurate record of cash receipts and expenditures.
2. Basis for control of all financial operations.
3. Exhibit of the condition of each unit, and of the institution as a whole.
4. Comparison with (a) preceeding years
(b) recognized standards
5. Basis for the general administration of the institution.
6. Basis for determining future financial policy.

The books as now kept function only in the first regard and are almost useless for any of the other five purposes. If the analysis had been clear out it would be possible to secure the facts upon which to base the other five, but the analysis has been so incomplete as to make any exhibits or comparisons or policies based upon them only approximate.

The failure of the accounting system to provide a basis upon which a budget could be built has thrown upon the president, the burden of preparing a budget based upon estimates rather than upon actual receipts and expenditures, and without knowing the financial situation at the time. It is this which is a large contributing cause of the present deficit.

-----RECOMMENDATIONS AS TO FINANCIAL POLICY-----

1. CONTROL OF BUDGET

- (1) The budget shall be adopted by the Board of Managers.
- (2) The Budget shall be subject to revision by the Board of Managers or the Executive Committee ~~with~~ twice a year.
- (3) The treasurer shall be held responsible for not exceeding the budget or any item thereof.
- (4) The treasurer shall decide questions as to classification of accounts. In case of dispute the matter shall be referred to the Board of Managers for definition of policy .
or the Executive Committee

2. CONTROL OF EXPENDITURES

- (1) Upon adoption of the Budget by the Board of Managers a statement of the amount of its appropriation shall be made by the treasurer to each department and every month thereafter a statement of the balance of appropriation.
 - (2) Each department shall be required to keep its expenditures within the limit of its appropriation.
 - (3) Each department shall make requisition for proposed expenditures giving details and estimates of cost based on catalog prices or certified to by the purchasing agent, which requisitions shall be approved by the treasurer before the expense is incurred.
 - (4) Requisitions shall not be approved if the appropriations for them are insufficient.
 - (5) Expenditures for salaries for the entire year may be covered by one requisition.
 - (6) A blanket requisition may be made by each department, covering its sundry small expenses for an entire month.
3. To adopt as a basis for the conduct of the financial operations of the university Arnett's "College and University Finance."

The budget as presented embodies the recommendations made in Arnett's College and University Finance and gives a comprehensive idea of the same. Attention should, however, be called to certain fundamental principals

- (I) Clear cut definition between (Arnett p.18)
 - (1) Plant
 - (a) Land, Building, Equipment.
 - (2) Operation.

- (II) Expense of operation may be divided into 4 classes (Arnett p.19)
- (1) Operation of the College as such
 - (2) Operation of Ausiliary Departments
 - (3) Operation of dormitories, dining halls, book store, etc.
 - (4) Raising funds.

- (III) No. 1. immediately above, the operation of the college as such (this is the college proper) falls into 3 groups.
- (1) Administration in general
 - (2) Operation and maintenance of physical plant
 - (3) Instruction.

Particular attention should be called to page 70 on "How Estimates of income should be made," and to page 78 on the process of making a budget, as follows:-

- (1) Data for the instructional division collected by the president, the details for each department being supplied by the person in charge.
- (2) Estimates for administration and general expense prepared by the treasurer based on statements from the several executive officers.
- (3) Estimates for operation and maintenance of physical plant prepared by the person in charge of buildings and grounds.
- (4) The estimates and recommendations of the three above divisions should be received and reviewed by the treasurer for presentation by the president to the Board of Managers.
- (5) Specially prepared forms should be printed and used in order that all estimates should be uniform.

As indicated on page 56 a record containing a complete description of the physical plant should be prepared which should be carried on the books at actual cost and not at estimated values.

The auxiliary departments, and dining halls, dormitories and the like, should be operated on a self-supporting basis.

Student fees should be paid in advance in full. (Arnett page 13.) At the present time there are \$6500. of unpaid tuition fees on the books. This rule should be followed strictly for it is to the advantage of the student in training him in good business principles and benefits the college by the prompt receipt of cash, by eliminating the expense of collection, and by avoiding bad debts. Experience shows that the enforcement of this rule has not had the effect of working a hardship on the poor student and excluding him from college.

Attention should be particularly called to the various tables and schedules in the volume by Arnett. It is highly desirable that all colleges and universities in East China follow Arnett as closely as possible in order to promote comparison and study of educational costs. It might be well to have such blanks printed by the Advisory Council for use in all institutions.

GENERAL PRINCIPLES FOR GUIDANCE IN MAKING CUTS IN BUDGET.

1. Stop all loss and make readjustments to effect savings wherever possible in all departments.
2. Put all non educational work on a self-supporting basis, including a 5% reserve for contingencies.
3. Apply funds available to the budgets of the various departments in order beginning with the Senior College and ending with the Kindergarten, thus taking care of the higher departments and making more drastic readjustments lower down.

THE SITUATION

At the meeting of the Board of Managers in October 1921 announcement was made that the University had a deficit of \$79,000, which had been discovered a month previous to the meeting. In facing this situation the Board requested the Home Boards to assume the burden and approved a budget for the ensuing year calling for a deficit of \$17,000. This budget was later revised by the faculty so as to balance expenditures by income, in spite of which the expenditures of the year showed an apparent deficit of \$26,000.

The situation calls for action along two lines: first, an analysis of causes with a view to preventing their recurrence; second, the inauguration of a new policy.

ANALYSIS

In plain English the essential element of the situation seems to be that trust funds have been used for current expenses. If the funds so used had belonged to parties outside the university some of those concerned, the writer includes himself as a member of the Board of Managers, might now be facing legal action. As it is, the deficit of the present year, on top of the unexpected heavy deficit of the year before, constitutes a situation calculated to undermine the confidence of the contributors in the management of the institution. It is therefore desirable to attempt to ascertain what defects of management have been contributory.

BOARD OF MANAGERS

In accordance with the common American practice the control of the University is in the hands of a Board of Managers. The present situation is partly due to the fact that the Board of Managers has not taken its responsibility seriously. It has had, and rightly, full confidence in the integrity and ability of the personnel of the University, and, as is too often the practice in institutions of the sort, has been contented to leave in large measure the management of the University to its administrative officers. Certain facts have contributed toward making the Board take little more than a perfunctory responsibility.

1. The Board is too large. This is due to the necessity of giving adequate representation to a considerable number of cooperating missions and of providing for both Chinese and foreign representation. The result is that the Board is too large to meet often enough to give close attention to the affairs of the University.

2. The time spent by the Board has been entirely inadequate. Only occasionally has there been more than one meeting per year. No annual meeting has generally consumed more than one day. The Board of Trustees of Harvard University meets every two weeks, and the ordinary practice calls for a monthly meeting.

3. The Board of Managers does not actually function as such. The object of a Board of Managers is to provide an outside control representing the financial backing of the institution with the aim of setting the faculty free for administrative and instructional work within the University, and of saving them from the necessity of taking responsibility in matters which might cause division or otherwise lower morale. An examination of the minutes will show that in several recent meetings the members of the Board of Managers outside of the University have been outnumbered by faculty members. This practically nullifies the Board as such, and confuses the functions of faculty and managers. The Board in such cases actually represents the faculty more than the con-

Who are the contributors?

Contributors.

ACCOUNTING SYSTEM. The budget failed to control the expenditures of the institution because a gap existed between it and the accounting system. The latter should have served as a basis for the former, but the Finance Committee was unable to recommend a budget at the last meeting of the Board of Managers because the budget and the accounting system could not be brought into agreement. It is, therefore, necessary to recast the accounting system, and this involves in the first place an examination of the system as it is at present. The following enumeration of defects is based upon study and analysis of the books which have been carried on over a period of about four weeks.

(1) Lack of proper analysis. In endeavoring to compare the same account for different periods of one half year each it was found that in numbers cases there was considerable fluctuation. On examination this proved to be the result of imperfect analysis. For example, a laboratory account was found to include salaries and equipment. Not only is this the case in individual accounts but there are numerous instances where the same items are one month placed in one account and another month in another account so that certain accounts are practically duplicates.

(2) The distribution by periods is not clear cut. One reason for this is that the fiscal year does not coincide with the school year. The year ending December 31st is particularly unfortunate as accounts for the fall semester cannot be closed until February. Furthermore remittance from New York and supplies ordered in America often involve delay from one period to another. In addition to this, however, large amounts of unpaid bills have been carried from one period to the next. Students fees have not been promptly collected. The financial operations of the institution have not been kept up to date.

(3) Too few accounts. Thus the students' fees, while analyzed in detail in the President's report, have been lumped together in ledgers. Again, interest and exchange have been kept together which does not reveal the fact that \$1800 interest on overdrafts at the bank have been paid out during the last three years.

(4) Incomplete separation of income and outgo. These should be placed in separate accounts, otherwise the balances shows only the resultant of two unknown quantities.

(5) Too many transfers from one account to another. Accounts should instead be closed into one surplus and deficit account.

(6) Capital and current accounts have not been kept separate. Failure here is perhaps one of the largest contributing causes of the present deficit.

(7) The accounting system is incomplete as it does not include salaries paid by the Boards.

To sum up, the accounting system has little value beyond that of cash keyan book. It might be characterized as a double entry system on a cash basis. Reference to previous reports of the treasurer will show a large place given to trial balances. The trial balance is only a preliminary step. If it is incorrect it is a sign that something is wrong, but if it balances it is no sign that everything is all right. This is about the extent of the value of the books as kept at present. A month of work in analysing them has given chiefly a negative result, and it would be almost impossible to base an adequate budget upon them as they now stand.

It is desirable that university accounts should provide the following:-

1. Accurate record of cash receipts and expenditures.
2. Basis for control of all financial operations.
3. Exhibit of the condition of each unit, and of the institution as a whole.
4. Comparison with (a) preceding years
(b) recognized standards
5. Basis for the general administration of the institution.
6. Basis for determining future financial policy.

The books as now kept function only in the first regard and are almost useless for any of the other five purposes. If the analysis had been clear cut it would be possible to secure the facts upon which to base the other five, but the analysis has been so incomplete as to make any exhibits or comparisons or policies based upon them only approximate.

The failure of the accounting system to provide a basis upon which a budget could be built has thrown upon the president, the burden of preparing a budget based upon estimates rather than upon actual receipts and expenditures, and without knowing the financial situation at the time. It is this which is a large contributing cause of the present deficit.

-----RECOMMENDATIONS AS TO FINANCIAL POLICY-----

1. CONTROL OF BUDGET

- (1) The budget shall be adopted by the Board of Managers.
- (2) The Budget shall be subject to revision by the Board of Managers or the Executive Committee ~~with~~ twice a year.
- (3) The treasurer shall be held responsible for not exceeding the budget or any item thereof.
- (4) The treasurer shall decide questions as to classification of accounts. In case of dispute the matter shall be referred to the Board of Managers for definition of policy.
or the Executive Committee

2. CONTROL OF EXPENDITURES

- (1) Upon adoption of the Budget by the Board of Managers a statement of the amount of its appropriation shall be made by the treasurer to each department and every month thereafter a statement of the balance of appropriation.
- (2) Each department shall be required to keep its expenditures within the limit of its appropriation.
- (3) Each department shall make requisition for proposed expenditures giving details and estimates of cost based on catalog prices or certified to by the purchasing agent, which requisitions shall be approved by the treasurer before the expense is incurred.
- (4) Requisitions shall not be approved if the appropriations for them are insufficient.
- (5) Expenditures for salaries for the entire year may be covered by one requisition.
- (6) A blanket requisition may be made by each department, covering its sundry small expenses for an entire month.

3. To adopt as a basis for the conduct of the financial operations of the university Arnett's "College and University" Finance."

The budget as presented embodies the recommendations made in Arnett's College and University Finance and gives a comprehensive idea of the same. Attention should, however, be called to certain fundamental principals

- (I) Clear cut definition between (Arnett p.18)
 - (1) Plant
 - (a) Land, Building, Equipment.
 - (2) Operation.

- (II) Expense of operation may be divided into 4 classes (Arnett p.19)
- (1) Operation of the College as such
 - (2) Operation of Auxiliary Departments
 - (3) Operation of dormitories, dining halls, book store, etc.
 - (4) Raising funds.

- (III) No. 1. immediately above, the operation of the college as such (this is the college proper) falls into 3 groups.
- (1) Administration in general
 - (2) Operation and maintenance of physical plant
 - (3) Instruction.

Particular attention should be called to page 70 on "How Estimates of income should be made," and to page 78 on the process of making a budget, as follows:-

- (1) Data for the instructional division collected by the president, the details for each department being supplied by the person in charge.
- (2) Estimates for administration and general expense prepared by the treasurer based on statements from the several executive officers.
- (3) Estimates for operation and maintenance of physical plant prepared by the person in charge of buildings and grounds.
- (4) The estimates and recommendations of the three above divisions should be received and reviewed by the treasurer for presentation by the president to the Board of Managers.
- (5) Specially prepared forms should be printed and used in order that all estimates should be uniform.

As indicated on page 56 a record containing a complete description of the physical plant should be prepared which should be carried on the books at actual & cost and not at estimated values.

The auxiliary departments, and dining halls, dormitories and the like, should be operated on a self-supporting basis.

Student fees should be paid in advance in full. (Arnett page 13.)

At the present time there are \$6500. of unpaid tuition fees on the books. This rule should be followed strictly for it is to the advantage of the student in training him in good business principles and benefits the college by the prompt receipt of cash, by eliminating the expense of collection, and by avoiding bad debts. Experience shows that the enforcement of this rule has not had the effect of working a hardship on the poor student and excluding him from college.

Attention should be particularly called to the various tables and schedules in the volume by Arnett. It is highly desirable that all colleges and universities in East China follow Arnett as closely as possible in order to promote comparison and study of educational costs. It might be well to have such blanks printed by the Advisory Council for use in all institutions.

GENERAL PRINCIPLES FOR GUIDANCE IN MAKING CUTS IN BUDGET.

1. Stop all loss and make readjustments to effect savings wherever possible in all departments.
2. Put all non educational work on a self-supporting basis, including a 5% reserve for contingencies.
3. Apply funds available to the budgets of the various departments in order beginning with the Senior College and ending with the kindergarten, thus taking care of the higher departments and making more drastic readjustments lower down.