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Lacy, Walter N.

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FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
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OFFICE OF THE ASSISTANT TREASURER  
處 事 辦 計 會 副

TRANSFER

November 7, 1924.

*Dr. Gower*  
*Revised*  
*Comment on our system of accounts*

Mr. Leslie B. Moss,  
150 Fifth Avenue,  
New York City.

Dear Mr. Moss:

I have during the past week been making a study of some of the correspondence that has taken place between your office and the Treasurer's office here during the past two or three years. My purpose in going through this material has been to secure a light on some of the problems which are beginning to come to my attention as I am getting better acquainted with the accounts and the Treasurer's problems here at the University.

On Mr. Bedient's resignation as Assistant Treasurer last summer, I accepted the request of the Board of Managers to act as Foochow Treasurer for the University, taking this work on in addition to the work already in my hands, as Secretary and Station Treasurer for the Methodist Mission. As I looked into the work of the fall semester, I felt it would be necessary for me to give at least one day a week to the University up until the middle of November, when other arrangements previously made were going to require my absence from Foochow for about a month. It will probably be necessary to continue this program at least until the end of this semester.

The accounts were audited up to July first, last, before I took over the books from Mr. Bedient, and during the past two months I have been endeavoring (1) to place our accounting system on a Voucher basis, so that the authorization for making payments would not be left entirely in the hands and mind of the Treasurer or the Assistant Treasurer; (2) to keep our current account up to date as we go along as accurately and completely as possible; and (3) to make a study of the entire system of accounting, to learn how we stand in our current budget, and how transactions between this office and your office are to be handled. As I told Dean Scott this noon, I have now come to the place where I feel that if I could

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give these accounts the necessary amount of time, I could within the year, at least, have them in a condition which would be satisfactory to me. I say this without any reflection upon my predecessor, but in view of the difficulties which I have had in securing from the books certain information which has been needed for my own use, or for Dean Scott and other members of the Faculty.

I wish now to refer to certain items in the correspondence between you and Mr. Bedient during the past year. I refer first of all to a letter from Mr. Bedient dated April 14, in which he wrote of his plans to analyze the Building Accounts and separate the items therein in accordance with suggestions which you had previously made. This ought by all means to have been done. Apparently, in the past, everything pertaining to buildings, whether it was contract payments on the dormitory, screening for the temporary buildings, or minor repairs on a Faculty residence, have all been included in the one ledger account entitled, "Buildings". It will now be an extremely difficult, if not almost impossible, task to analyze that account as it now appears on the books and set up individual accounts for any of the buildings. I am not sure this could be done accurately even if a person had nothing else to do. I am very sure that it is outside of the realm of possibility for me to undertake, and I therefore propose to leave the former building account as it is and charge against it all expenditures that may have to be made in the future for the buildings already completed. Beginning with the three building projects which are now under way, namely, the small Faculty residences, the Chemistry Building and the President's residence, I am setting up separate ledger accounts for each, and expect to be able to have these accounts show the cost of each project.

I have been considerably perplexed by the difference which exists between the budget year and the *scholastic* year. I understand that the Budget as adopted in recent years has been for the calendar year, that for 1924, for instance, covering January 1 - December 1, 1924. I do not know what the reasons were on which the Board of Trustees determined that the budget year should correspond with the calendar year, though I presume it was due to the fact that the University's income is dependent upon appropriations made by the Foreign Mission Boards, and those are made for the calendar year. It would seem that even if this is the major reason, it would not interfere with making the fiscal year commence with February 1 instead of January 1, as appropriations made for 1925 could be used by us here during the year commencing February 1, 1925. This would make it possible for the fiscal year to begin and end between terms. As it is now, with the fiscal year beginning January 1, all expenses for the month of January which are properly a charge against the current expenditures for the fall semester, have been chargeable against the Budget for the following year. You will readily see that this overlapping is a source of difficulty and possible confusion. From the standpoint of the University, however, it would seem that the fiscal year should coincide with the scholastic year, namely, commencing at the beginning of the fall semester and closing at the end of the spring semester. I am sure the authorities here on the field would welcome this change, which should facilitate our operating under our Budget

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if the objections on the part of the Board of Trustees are not such as to prevent making such a change. In your letter of July 12, 1923, you said, "By all means make plans to have the fiscal year changed to end June 30." If the fiscal year could be made to coincide with the scholastic year, or to begin on February 1, the natural division between half years would come on July 31. I do not know that there is any great advantage in closing the accounts on June 30 rather than on July 31, or even ~~vice~~ versa. If the Board of Trustees will approve, I should like to recommend that the fiscal year for the University be made from August 1 - July 31; failing this that we be allowed to operate the fiscal year as from February 1 - January 31. We are attempting to carry on on this year's budget to the end of the present term, which will be shortly after the middle of January.

In the correspondence, I have noted some references to the revision of accounts to bring our system in harmony with yours. As they now stand, our ledger accounts are not in harmony with the Budget as it has been prepared in previous years. It has been my thought to revise our ledger accounts, beginning with 1925, and arrange them in a system based on that outlined by Arnot in his College and University ~~Finance~~, and the pamphlet on the same subject prepared especially for Universities in China, by Professor Cressy. I think this can be done, and subsequent budgets made out so that the two will harmonize, and also come very nearly harmonizing with the system which you have indicated is in use in your ledger.

Your monthly statements for July and August, 1924, have come to my attention within the past week. I understand that beginning with July 1, you wish our books to show all the transactions of the University. This would require, would it not, that on our books we have an account with you in which we debit you with all receipts and credit you will all payments made by your office? This can be done, beginning with our next term's accounts. At present I am crediting you with the expenditures which you made in July and August, debiting them against the various salary and other expense accounts that they may appear in our expenditure for this half year. I note that a large amount of the transactions between our two offices are in the form of drafts drawn on you by us. This is a system which does not appeal to me as a practicable one for either office. In your letter to Mr. Bedient dated May 15, you have indicated the probability that you would arrange for a banking account with one of the New York banks, which could take the place of the many minor transactions made in the purchase of books and apparatus, and for personal payments for members of the Faculty. If this could be done so that these items could be removed from our account with your office where each draft now appears as a credit to you, it would make it easier for us to know at any time how our account with your office stands. With these many minor credits, it is difficult to keep clearly in mind our financial standing with your office. I, therefore, urge that the proposed plan be carried out at once and that \$500 or \$1000 be placed to our credit in some bank against which I can draw checks for these minor payments. Thereafter, when it would be necessary

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to replenish this bank account, we could do so by a single draft on you, which could be credited to you against sums which we would nominally be receiving from you otherwise.

I am wondering in this connection if it would not be more satisfactory for you and more practicable for us if the amount which we are to receive from you for the year, as authorized by your office or as approved in our Budget, could be sent to us in monthly or quarterly remittances. I think quarterly remittances would be preferable. There is, of course, the fact that when remittances are made at stated intervals, we cannot so readily take advantage of exchange, whereas by the system now in use, when exchange is favorable we draw largely, reserving Mex. against the time when exchange is unfavorable. However, the practice does not appeal to me as being a sound one, and I think we will be in less danger of incurring debts if it could be arranged for you to remit quarterly, one-fourth of the amount available for our current Budget. Your drafts could then, perhaps, be held a few days or a few weeks for a more satisfactory exchange if it seemed desirable. And in case of excess needs before your draft arrived, we could probably borrow funds locally, or draw a draft on you against a future quarterly remittance.

This plan, of course, would not apply to funds for building projects. Whenever the Trustees authorized an amount for any building project, notice of such authorization should be sent to me and on the basis thereof, I could debit your account with that amount and credit the proper building account. As it is now for instance, nothing has been credited to the Chemistry Building, and I have found no official authorization for the statements which have been made to me that \$12,000 Gold has been authorized for the first section of this building; that is, to the top of the basement. As such authorization was received from your office and the building account credited with the amount, I would then be in a position to draw drafts against you for payments on this account as they were demanded by the construction work.

I trust that you will be able to give your approval and put into effect your part of these requests with reference to Bank Account, Quarterly Remittances, and Building authorizations, so that the present system of drawing drafts against you may be reduced to a minimum.

I have to report that I am today drawing two drafts, one No. 637 for \$5,000 Gold and No. 638 for \$1,000 Gold. These, I am forwarding to Shanghai to be sold. I am asking that No. 638 for \$1,000 be sold at once, as we are in need of funds for current operating expenses. I am asking that No. 637 for \$5,000 be held for the best rate of exchange that can be secured within the next month. This amount is being drawn against the \$12,000, which I understand has been authorized for the basement of the Chemistry Building (\$3,000 on this account) and the balance, \$2,000, being the balance not hitherto drawn on the funds for the three small faculty residences. I trust these drafts will be honored when presented. It has been my understanding that it was not necessary

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to write you when drawing small drafts such as I have drawn a number during the past month or two.

I shall be grateful for any suggestions or any help which you care to give that will facilitate the Treasurer's work and our mutual relations for the greatest efficiency in this Department of the University's work.

Cordially yours,

*Walter H. Lacy*

TREASURER.

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WALTER N. LACY, TREASURER

EVA M. ASHER, ASSISTANT TREASURER

TRANSFER  
February 24, 1925.

To the Acting President, Board of Managers, and Board of Trustees  
of Fukien Christian University.

I herewith submit my first report as Treasurer of Fukien Christian University. It is, perhaps, not customary to make a formal report at this time of the year, but in view of all the circumstances, it has seemed to me best to present to you with the accompanying financial statement a further report. In making this report, may I be permitted to state that I am not at all satisfied with the results of the term's work. Taking over the accounts in the middle of the fiscal year, some two or three months after the accounts had been closed for the previous term, has not been an easy task, and in addition there has been much to learn about the system and procedure followed in the past. It has been a semester of studying the situation, making a few changes from time to time as such seemed desirable and possible, and preparing for a more or less radical revision of the accounting system for the future.

One of the first changes made was the introduction of the Voucher System. Under this system, orders on the Treasurer's office are drawn by the men in charge of Departments or administrative phases. This relieves the Treasurer of the responsibility of deciding in all cases what payments should be authorized, furnishes the Faculty members with a means of keeping a rough idea of how their finances stand, and gives the office a means of verifying and checking payments.

Another change has been the separation of the Building Funds into a separate bank account and the opening of separate ledger accounts for each of the buildings now in the process of construction. This should obviate much of the difficulty which has occurred in the past of confusing Building and Operating Funds.

The separation of certain Ledger Accounts from each other, the introduction of more convenient ledger and other accounting forms, the discontinuance of the system in use of drawing on Shanghai "Savings Account", and the installation of carbon records of drafts drawn on New York are other minor changes that have been made.

The opening of a New York bank account, approved by the Board of Trustees last summer, and improvements in Warehouse records are further changes that ought to be made at the

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Treasurer's Report, F. C. U.  
Feb. 24, 1925.

earliest possible moment, but which have not yet been consummated.

The differences between the Budget and the Ledger Accounts have proved to be a real difficulty and will be largely obviated in the future by a new system of Ledger Accounts, which will be introduced with the 1925 Budget. Little effort has been made during the past term to strictly confine the accounts to the 1924 Budget. The ledger system in use was not adapted to the Budget and the budget year did not correspond with the current year of the University, two facts which made it extremely difficult to confine the accounts strictly to the Budget this term. Therefore, it has been our policy to keep the expenditures in all lines to the minimum and to carry them on to January 31, that the new Budget might be put into effect with the new school year opening on February 5th. This will, in a large measure, explain the deficit shown on the financial statement (\$486.92), for salaries and wages and other current expenses have been paid for seven months during the last half year.

The New York Office has started sending us Monthly Financial Statements to be included in our books, that the books as kept here in Foochow might give an exhibition of the entire finances of the institution. These monthly reports from New York have, however, been received for the months of July, August and September only, and hence the item of \$15.62 shown for New York office expenses does not represent the real expense involved during the past half year for this item.

For most of the individual items in the report, together with the balance sheet and the analysis of the Suspense Account, I shall let those statements speak for themselves. I do not guarantee the accuracy of this financial statement, partly because of the lack of ready correspondence between the ledger system and the report form. While the books are not yet audited, I am satisfied that in the main they and the balance sheet are correct. A forced item of \$.02 was placed in the Income and Expense Account because of an error and I did not feel I could spend further time in tracing it. I hope the auditors will find it and correct it.

With the new system of ledger accounts which will be introduced this year, and with greater familiarity with the work, your Treasurer hopes to be able to present a more satisfactory report a year hence. In view of the character of the work during the past term, I do not deem it advisable to point out any tendencies or comparisons in the accounts for the past year, or to make any recommendations as to the use of funds during the coming year.

This work has taken little more than one day per week of the time of your Treasurer since school opened last September.

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Treasurer's Report, F. C. U.  
Feb. 24, 1925.

This same amount of time will doubtless be required during the coming semester, or year, but after that it might be possible to reduce this without loss of efficiency. Too much cannot be said in appreciation of the work done on the accounts by the Assistant Treasurer, Miss Asher, who has had, perhaps, as much to learn as the Treasurer himself, but she has done it well. Most of the routine work of the accounts and the handling of bank and cash payments and receipts has been done by the Assistant Treasurer, and has been done very satisfactorily.

Respectfully submitted.

Walter H. Lacy.  
TREASURER.

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WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

February 24, 1925

Explanation of Suspense Account

The Suspense Account shows a debtor balance of \$1,230.44, which is \$271.09 less than the debtor balance in this account on June 30, 1924. Explanation is made as follows of the various items shown in the analysis on the accompanying sheet:

A. W. Knoll, Dr. \$600.00. This is an old item and Mr. Bedient's explanation thereof dated September 3, 1924 is quoted as follows: "On every report for the last two years, I have written you that Mr. A. W. Knoll borrowed \$300.00 Gold when he left here for America, stating that he would have a draft sent to your New York Office to cover this amount. I have no record whatever that this has been done. If Mr. Knoll has not already paid this, the statement should be sent to him from the New York Office, and when he has paid it notification should be sent here so that this item might be removed from our books."

Student Uniforms, Dr. \$25.95. This is an item carried forward from previous terms, and is for uniforms not yet paid for.

Li U Seng, Dr. \$52.95, is an old item for the funeral expenses of a student drowned in 1923. Dr. Beard is trying to collect this amount from his parents.

Baker & Taylor, Dr. \$320.64, is an item carried forward from previous terms and is an advance for rate books they are trying to find for us.

William Hung, Dr. \$16.00. On September 3, Mr. Bedient reported that the whole amount against Mr. Hung had been paid, but this was, apparently, in error, as \$16.00 of the amount yet remains to be paid.

Y.M.C.A., Cr. \$8.00-is money being held for the Student Y.M.C.A. from the previous term.

Student Republic, Cr. \$25.20 is carried forward from the previous term, and represents activity fees paid by the students in excess of their needs and not yet drawn by them.

1925, Dr. \$234.70. This is made up of items properly chargeable to the expenses of 1925, and will be transferred and debited against the proper accounts on next year's Budget.

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Explanation of Suspense Account (F. C. U.)

February 24, 1925.

Athletic meals loan, Dr. \$17.40 represents an item which has been paid since the books were closed, so that this should disappear from the Suspense Account early in 1925.

Electric bell, Dr. \$8.00. This item is temporarily placed in this Account as we did not know when closing the books where it should properly be charged. It will be transferred early in 1925.

New York Treasurer, Cr. \$100.00, is for the undesignated gift of L. M. Mead (\$50.00 Gold) shown in the report of the Treasurer's office for September 30, 1924, temporarily placed here until we have information as to where it should properly be credited.

Gold in safe, Dr. \$88.00, represents bills and traveler's checks refunded by M. F. Farley, Cr. on his travel account, kept here in Gold to be sold.

*Walter H. Lacy*  
TREASURER

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WALTER N. LACY, TREASURER  
 EVA M. ASHER, ASSISTANT TREASURER

SUSPENSE ACCOUNT

Dr.		Cr.
A. W. Knoll	\$600.00	
Student Uniforms	25.95	
Li U Seng	52.95	
Baker & Taylor	320.64	
William Hung	16.00	
Y. M. C. A.		8.00
Student Republic		25.20
1925	234.70	
Athletic meals loan	17.40	
Electric bell	8.00	
New York Treasurer		100.00
Gold in safe	88.00	
	<hr/>	<hr/>
	1,363.64	133.20
Dr. Balance		\$1,230.44

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WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

FUKIEN

May 14, 1925

Dr. Eric M. North  
150 Fifth Avenue  
New York City

Dear Dr. North:

On May 4th, we drew draft No. 780, payable to R.B. Blakney, for \$1400, on account of travel expenses for him and family, Mr. Blakney having left on furlough on May 4th. Mr. Blakney's salary has been paid through to May 31st.

On May 6th, we drew draft No. 782 for \$1000, payable to the Union Trust Company, to take care of purchases made for our Book Store.

On May 11th, we drew draft No. 785 for \$683.53, payable to Arthur H. Thomas Company, for Chemistry equipment and materials.

We are today drawing draft No. 790 on W. A. Main for \$1000, necessary for current expenses. We trust you will honor these drafts when presented, as well as the numerous ones of smaller denomination which we are constantly drawing on your office from time to time.

This reminds me that we have never had a reply to my letter of November 8th, which referred to an earlier letter from Mr. Moss, both on the subject of having a checking account in some bank in the United States for the handling of bills which we have to pay for ourselves and faculty members in the United States. Such an arrangement would, as I said before, eliminate a large amount of clerical work in your office in handling the drafts which we are having to draw on you, as a result of the system now in use. Into this current account, you could deposit at intervals, regular or otherwise, sums which would be charged to us and which would be available for our use in the United States. You could, if such seemed desirable, also make deposits to this account monthly or quarterly of a definite portion of our Budget as supplied through your office, on which we could draw when in need of funds, unless you prefer to have drafts made on our current budget drawn on you as at present.

In this connection, I feel myself very much embarrassed, because of a lack of knowledge as to what funds are available and at what time they can be drawn from you without embarrassment to you. At no time since I assumed the duties of Treasurer of

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this institution have I known what funds were available in New York for our current needs, and have been compelled to draw for these needs whenever we were short of funds. This is not a satisfactory arrangement. It tends to make it easy for us to draw funds to which we are not entitled, and it leaves us in a state of considerable uncertainty as to what is our financial condition. The adoption of the Budget in the past has seemed to carry with it nothing more than the approval of the Board of Trustees for us to spend up to the amounts budgeted for various items under operating expenses, faculty salaries, etc, and it has, apparently, been assumed that all funds up to the total of such proposed expenditures not available from local receipts would be available by draft on your office. We would prefer a definite statement from you: first, as to the amounts appropriated and paid into your office by the various cooperating Boards, and second, the amount which we are entitled to draw monthly or quarterly on account of our current budget.

I have found myself somewhat embarrassed, also, in the matter of the building accounts. Perhaps the greatest factor in putting the University in its present unfortunate financial condition has been the unsatisfactory method in which building funds have been administered. Commencing with the present calendar year, we are trying to keep separate accounts for each one of the building projects authorized or under way. The following, however, will show the difficulties under which we labor in this connection. We have at present three buildings under construction. The funds for the President's residence were paid over to the University by the Treasurer of the Methodist Episcopal Mission, and there has been, therefore, no question as to the amount authorized therefor. On December 17th, you sent me a formal authorization to draw the sum of \$4,500 Gold on account of residence given by the A.B.C.F.M. Sometime prior to the receipt of that communication, Dr. Gowdy cabled that we were authorized to proceed with the superstructure of the Chemistry Building. No official authorization of the amount available for this purpose has been received. Likewise, I understand that Dr. Gowdy has written stating that a further sum would be available for servants' quarters in connection with one of the small residences to be occupied by Professor and Mrs. Martin. On this, no formal authorization has been received. Strictly speaking, I have no right to draw on you for either the Chemistry Building or this small residence's addition, but as the work has had to proceed, I have drawn, and shall have to draw, as funds are necessary. It would relieve me of possible embarrassment and simplify our accounting if formal authorization for all funds made available for building projects could come from your office to me as soon as approved by the Trustees.

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Your letter of March 28th, addressed to Dean Scott, with reference to the Budget, has been handed to me for a reply. I am delighted to see that the Trustees have decided to base our fiscal year on a July 1 to June 30 basis. As I stated in a previous letter, this is the only logical year to use (with slight modification) and we shall endeavor to place our Budget and accounts on that basis. I would suggest, however, and have no doubt but that it will meet with the approval of the Trustees, that the fiscal year should extend from August 1st to July 31st. My reasons for making this suggestion are: first, this makes two half years of six months each, ending on January 31st and July 31st, both of which occur between semesters. To close the first half-year accounts on December 31st, necessitates their being closed within a few weeks of the close of the fall semester, without covering a full half year of the school work, and at a time when we are all so busy, it is difficult to close the accounts. Second, This gives approximately one-half of the summer vacation to each semester of the school year, instead of throwing practically the whole of the summer vacation on to the fall semester. Members of the faculty and other employees, who might be employed for a half-year, would have to be paid for six months from February 1st, since the spring semester commences early in February. This would carry such items until the end of July, and they should obviously be included in the preceding school year. We trust, therefore, that you will allow us to shift our fiscal year one month later than that proposed, and commence same on August 1st. As our present accounting period commenced on February 1st, we shall, unless we hear from you to the contrary, carry same for six months, namely, until July 31st.

We regret that circumstances have been such that you have been unable to send us the Budget for the present half-year as approved by the Trustees. It was necessary for us to have some sort of a working basis, and we, therefore, entered on the present half-year on the basis of the Budget proposed last summer, pending approval of adjustments necessitated by disapproval when we could hear from you, as the work of the University and the Treasurer's office could not be held in abeyance pending receipt of this Budget. We are now operating accordingly.

We shall be glad to try and forward to you a Budget for our fiscal year beginning next August 1st, and should like to have your approval of same before that date. This, we find extremely difficult, however, first, because we have not been operating on our present classification of accounts long enough to be certain that our current needs have attained any settled status, and second, because of the absence of Dr. Gowdy, on whose knowledge and responsibility the finances of the next year will very largely have to be carried.

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Early last fall, you wrote us that you wished our books here to show the entire cost of maintaining the work here at the University, and for that purpose you undertook to forward to us monthly a statement of receipts and expenses as handled through your office. These were received up to and including November, and were accordingly entered on our books. We had hoped that we had now reached the time when our books would actually show the cost of the operation of the University. Since November, however, no such statement has been received, and our books do not show the full facts in the matter,

I wish to acknowledge the receipt of your letter of March 24th, with statement of account for the communion set and baptismal bowl. I note that \$15.32 is available to be drawn from you for the manufacture of trays. Apparently, this gift did not provide for duty, which had to be paid on the communion set and bowl when imported here at Foochow. This duty amounted to \$22.26, and the trays will cost us \$21.00, making a total of which even two for one, the above mentioned \$15.32 will not quite cover. Will anything further be available for this purpose?

I have written thus fully of the difficulties which we find in handling these accounts with so great a distance between your office and ours, not in any spirit of criticism, but in the hope that matters may be adjusted, as far as possible, at your end or at ours, so that these causes of difficulties and embarrassments may be removed, and that our books may show at all times the true condition of the University's finances.

Sincerely yours,

*Walter H. Lacy*

TREASURER.

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# TRANSFER

## FUKIEN CHRISTIAN UNIVERSITY.

August 17, 1925.

Mr. Walter N. Lacy,  
Fukien Christian University,  
Foochow, China.

My dear Lacy:

This is the first letter in the beginning of an attempt to straighten out the finances of Fukien Christian University and I want first of all to say how much I appreciate your patience and forbearance in the long delay. Your letter of May 14th was therein much of an encouragement, for we found that your ideas were moving much the same as ours and you will find this so as we work on. Also, you will find that we have not been idle on the job, but delayed in reporting, because we have not been able to find time to complete it. Let me report one or two positive items.

1. The fiscal year has been fixed at August 1st to July 31st; July of this year being added to the year 1924-5 which (if we take it as a year by itself) will cover thirteen months. We shall close the books as of July 31st and charge any drafts from you bearing a date after July 15th to a suspense account until we hear from you whether they belong in 1924-5 or 1925-6. In closing, we shall also hold all balances in suspense. In other words, the books prior to July 31st will be held in statu quo until we can, by exchange of correspondence with you, find out just where we are - with this exception, - where we are entirely clear as to just where we are, we will carry on; this will probably be in the endowment accounts and in some of the plant accounts.

The income of what was formerly the first quarter of the July 1st - June 30th fiscal year (on which the Boards will still operate) we will put in the first quarter of the new fiscal year, - i.e., income received in July (if any) belonging to the Boards' appropriations, etc., for the first quarter, we will put into the new first quarter.

2. Our monthly statements, which were discontinued because we were trying to get the books on the new basis, will be resumed. I cannot say just when the July 31st balance sheet will be ready, because I fear we shall have to complete our analysis before we can do the balance sheet. But the monthly statements on the form of the new account system will come to you regularly beginning August 31st. As we have two other sets of books to balance and prepare cash statements for field treasurers at the end of each month, we start them more or less turn about, so that some months will get to you earlier than others. Please note, however, that credits appearing in our monthly statements are not authorizations to you to draw, for two reasons: (1) we believe we can fix it so you can draw before the trial balance with the credits reaches you, by sending you a schedule of the amounts and times at which we think you can safely draw on payments which will be made us in New York at the time you

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August 17, 1925.

draw but which you will not have word of as actual payments till five to eight weeks after we get them, and (2) because we are keeping the books on a cash basis and a budget (in the form of a credit to you) will be putting us back in the confused system we are trying to get out of. Ned Black and Roy Torrey did a splendid piece of work in disentangling it as they did, but the creation of a credit account (Foochow Treasurer), to which the whole anticipated current budget was credited at the beginning of the year, and also all building funds appropriated, and on which the Foochow Treasurer often drew without specifying the object, is the thing that is giving us the long job to disentangle. Thus, at the beginning of a fiscal year, you will get

- (1) A Budget Statement, giving the budget as authorized by vote of the Trustees;
- (2) A Schedule of Authorized Drawings on Budget which will indicate at the beginning of the year the amounts you can draw or charge bills against, at specific times. The amounts will not total equal to the budget for some receipts are uncertain in time, but authorizations to add to the schedule will be sent as these uncertain amounts or new ones are received.

I am sorry that at this writing I cannot send these documents, but we will send as complete a statement as we can, as soon as we can. The difficulty lies in the uncertainty of the actual deficit and therefore the actual amount of the China Medical Board's appropriation which can be applied to this year. Dr. Gowdy seems to know where he is in the matter of the amount of debt to be raised, but there is nothing here that I have found that demonstrates anything clearly as to this.

3. Building Authorizations. I have, while Dr. Gowdy was here, left this matter to him as he has had in mind just what was being done in Foochow, and what was available here. He has written to Wiant, and, I suppose, to you also. I shall try to bring this matter up to date soon and send you specific word, though Dr. Gowdy will give you the data also when he reaches Foochow. The most recent are the cable to Wiant on the water plant \$4,500; and on the electric light installation \$3,500.

4. The Great Disentanglement! This process Miss Lane and I began some months ago by rewriting in condensed and dummy form the Ledger from the beginning, including in it only cash transactions and journal vouchers adjusting cash transactions, but no budgets or shifting of credits. To date, we have reached September, 1923.

Only by this process can we check up the charges (bills paid and the Foochow Treasurer's drafts) with the cash credits and the purposes of the credits and find out where we are.

These are the things we seek to find out in such a way that adjustment of accounts approvable by an auditor will show the true facts as to:

1. How have building funds been spent?
2. How has the China Medical Board's appropriation been spent?
3. What accounts are in debt to what other accounts?

When we get through, we want a balance sheet which will show up something like this (leaving endowment aside) -

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<u>Dr.</u>	<u>Plant Funds</u>	<u>Cr.</u>
Land : Cost		For General Purposes : Boards .....
Land Improvements		For Special Purposes: I.H.J. Dorm. Fund
& General Plans: Cost		: etc.
Buildings: Cost		: etc.
1. Dormitory I.H.J.		: etc.
2. Temporary Bldgs.		: From C.M.B. for
3. Residence A		equipment
4. " " B		etc.
etc.		
5. Science Hall		
etc.		
Equipment: Library books		
Scientific equipment		
etc.		
Plant Cash -		Accounts Payable: Loan from
		Current Funds

Current Funds to July 31, 1925.

General Expenses	From Boards, General: A.B.C.F.M.
Home Administration Expenses	C. M. S.
Authorized Disbursement of C.M.B. items	M.E.F.B.
Disbursement of Special Funds	R. C. A.
	" " to meet
	C. M. B. Appro. : A.B.C.F.M.
	C. M. S.
	M.E.F.B.
	R. C. A.
Accounts Receivable: Loan to	From C. M. B.
Plant Funds	From Special Funds
Current Cash	etc., etc.

We ought then to be able to tell where we are. Of course, we will have to have before us just what the obligation of the University is to the China Medical Board and to the various donors; but our first task is to find out what we have done.

This will require our combined efforts - yours and ours. For example, we have, in rewriting, set up an account called "Foochow Treasurer suspense" containing amounts drawn, but for what, we know not. So far, these amounts total nearly \$60,000.00. We will send you a list to check up on, so that we may know to what account to charge them when you report. But even though they were drawn for a purpose, their proceeds may not have been used for it. So that we need to know the gold cost of Land, Land Improvements and General Plans, and each building erected. If buildings were purchased with the land, they can be valued and so separated from it. Even if the temporary buildings cannot be individually accounted for, the Jones dormitory, the Science Hall and the Residences ought to be possible of segregation, each by itself. If it cannot be done with exactness, distribute as much as is distributable and then arbitrarily assign the rest on as fair a basis as may be devised. We must have some cost figure, Mexican and Gold, for each building, even though the figure be partly estimate - and the figures thus obtained must balance!

When these figures are reached, we will then be able to adjust our gold balance sheet to correspond with the facts and know what the deficit is.

I enclose the list of unidentifiable drafts as far as we have gone, giving date paid in New York; draft number, voucher number in New York; and amount. If you wish to see their place in the cash book you can locate it by date and voucher number in Ned Black's blue printed cash book which you should have.

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I wish we could give you the full statement now, but vacations have interrupted and will, for a few weeks more. The spring and June and July have been far heavier than I expected, but I'm hoping for a long session with these accounts soon.

5. As to a Bank Account for you here. After watching it for a year, we have concluded that there is a simpler way of caring for the lot of small drafts. We have a number of these in the case of Peking University, but in the case of the University of Nanking we pay many bills here for them. They use the requisition system, the forms of which I enclose in another envelope. This gives them provisional entries against departmental budgets so that departments cannot incur expenditures beyond the budgets (in this connection, see Arnett's book), and gives the Treasurer full information. A good many of the Library books are bought this way. We also buy plumbing, machinery, etc., etc., for Peking University, paying for it here and charging the accounts. Sometimes we can purchase to advantage and save funds. If you desire something of this kind, we shall be glad to cooperate.

For the present, our method will be simply to stamp these small drafts with an acceptance stamp, note the date, number, and amount, and return them to the bank messengers for collection through our regular bank. You will be governed in your drawing, anyway, by the Schedule of Drawing referred to above. This method saves us making out a check and voucher for each small draft, and at the same time obviates the necessity of keeping track of two bank accounts.

6. Concerning the Communion Set - Dr. Gowdy will advise you on this when he reaches Foochow.

Cordially yours,  
*Eric H. North*  
 Assistant Treasurer,  
 Fukien Christian University.

ENC.  
 EMN/KJL

學 大 和 協 建 福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
州 福 國 中

TRANSFER

WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

September 30, 1925

Explanation of the Suspense Account

The Suspense Account shows a debtor balance of \$957.47, which is \$272.97 less than the debtor balance in this account on February 24, 1925. Explanation is made as follows of the various items shown in the analysis on the accompanying sheet:

A. W. Knoll, Dr. 600.00. This is an old item and Mr. Bedient's explanation thereof dated September 3, 1924 is quoted as follows: "On every report for the last two years, I have written you that Mr. A. W. Knoll borrowed \$300.00 Gold when he left here for America, stating that he would have a draft sent to your New York office to cover this amount. I have no record whatever that this has been done. If Mr. Knoll has not already paid this, the statement should be sent to him from the New York office, and when he has paid it notification should be sent here so that this item might be removed from our books."

Student Uniforms, Dr. \$25.95. This is an item carried forward from previous terms, and is for uniforms not yet paid for.

Li U Seng, Dr. \$52.95. This is an old item for the funeral expenses of a student drowned in 1923. Dr. Beard is trying to collect this amount from his parents.

Baker & Taylor, Dr. \$320.64, is an item carried forward from previous terms and is an advance for rare books they are trying to find for us.

Electric bell, Dr. \$8.00. This item was temporarily placed in this account last term and should have been transferred to the Warehouse stock account, but was overlooked until too late to include the transfer before closing the books.

Gold in Safe, Dr. \$4.00 represents U. S. Currency remaining from the \$88.00 which was in hand at the beginning of this term, the balance having been sold during the term.

Duty on Communion Set, Dr. \$22.26. This is placed here pending provision for this item which was not included

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in the gift for the Communion Set, and which should be provided from some other source or by transfer to some account at an early date.

Hung Fu, Dr. \$31.67. This is funds advanced to Mr. Hung at the instruction of Professor Bedient just before his departure for America, to be repaid by Professor William Hung. Statement of same has been sent to Professor Hung, but payment thereof has not yet been received.

Y.M.C.A., Cr. \$8.00. This is money being held for the Student Y.M.C.A. from the previous term.

New York Treasurer, Cr. \$100.00, is for the undesignated gift of L.M. Mead (\$50.00 Gold) shown in the report of the Treasurer's office for September 30, 1924, temporarily placed here until we have information as to where it should properly be credited.

Walter N. Lacy.  
TREASURER.

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學 大 和 協 建 福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
州 福 國 中

TRANSFER

WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

September 30, 1925

SUSPENSE ACCOUNT

	<u>Dr.</u>	<u>Cr.</u>
A. W. Knoll . . . . .	\$ 600.00	
Student Uniforms. . . . .	25.95	
Li U Seng . . . . .	52.95	
Baker and Taylor . . . . .	320.64	
Gold in Safe . . . . .	4.00	
Electric Bell . . . . .	8.00	
Duty on Communion Set . . .	22.26	
Hung Fu . . . . .	31.67	
Y. M. C. A. . . . .		\$ 8.00
New York Treasurer . . . .		100.00
	<hr/> 1,065.47	<hr/> 108.00
Dr. Balance		<hr/> \$ 957.47

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學大和協建福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
州福國中

FUKIEN

WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

October 6, 1925

To the President, the Board of Managers and the  
Board of Trustees of Fukien Christian University

Gentlemen:

When I come to the end of my first year as Treasurer of Fukien Christian University, I am glad to be able to report that some progress has been made in the work which I found laid out for me to undertake a year ago. I am not yet satisfied, however, that the accounts are where either you or I wish them. It has been largely a year of study and re-organization. We have, during the past term, classified the accounts under a new system, in an attempt to conform to a more or less standardized classification for colleges in China, suggested by Mr. E. H. Cressy. The financial statement which is presented to you herewith is based on this new classification. I must apologize for the appearance of the statement on these printed forms, an appearance which is due to the inadequacy of these forms to take the data as shown by our new classification. Probably a new printed form should be prepared before the end of another semester.

This financial statement is incomplete perhaps in several respects. This is notably so in that it does not shew the income from the Board of appropriations, because we had no data here at Foochow on this subject from the New York office. The total of \$63,060.24 "From New York Treasurer" has included whatever funds have been received on appropriations and represents what we have drawn from the Treasurer in New York without knowing what was available, but drawn as we needed funds for current and building needs. This will explain the large Credit Balance to the New York Treasurer in the balance sheet, for he has not been debited with the amounts due us from Board appropriations.

We have not had any word from New York approving the Budget which was submitted for 1925. We have, however, assumed that one-half of this proposed Budget was available for the various items named therein, and we have gone on that basis drawing funds from New York as needed, but trying always to keep within the proposed budget limitations. In a few departments, these limitations have been exceeded, and I can hardly ask you



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to repeat your action of six months ago, allowing us to wipe off those overdrafts, for I believe it is your intention that overdrafts caused during the past term should be carried against the departmental budgets of the coming year. In preparing the new budget, which is submitted for your approval today, we have prepared it on the basis of our new fiscal year to which the Trustees have finally agreed and which now begins on August 1. The Budget proposed for your approval today, therefore, covers the year, August 1, 1925 - July 31, 1926.

You will note a net loss on Gold Exchange of \$2,325.60 on funds drawn from the Treasurer. Some of this has, of course, been chargeable to buildings for which we have drawn funds. Much of it is due to the fact that our books have been kept on a 2 for 1 exchange rate. In our new Budget we have placed what we think is a conservative rate of \$1.70, in the hope that our books will not show so large an exchange loss; but we have included \$1,000.00 to provide for such a loss. In this connection, perhaps I should mention that we have been selling Gold Drafts to members of the Faculty at the current rate of exchange, and during the present term these have cost us about \$80.00 in loss due to the difference between the current rate and the 2 for 1 rate at which our books have been kept and Faculty salaries paid. This is, doubtless, a perfectly justifiable loss for the benefit and convenience of the Faculty. This practice of handling Gold Drafts for them involves considerable in bookkeeping and clerical work both in our office and in the New York office, but we are glad to continue this service if the Board of Managers think it is one which ought to be handled for the Faculty at the expense of office time and loss on exchange.

Capital expenditures for the term have been negligible except for \$1,706.00 for science apparatus, the additions to the Warehouse stock and the new buildings - Chemistry Hall, President's residence and the A.B.C.F.M. residence. The most of the \$1,766.00 additional stock in the Warehouse is covered by a consignment of steel put in on the request of the Fukien Construction Bureau.

One of the problems not yet satisfactorily solved is that of the Warehouse stock. Whether all the stock that goes out is properly charged to the buildings and individuals to which it goes we are not yet certain. The time at our disposal this last year has been insufficient for us to adequately grapple with this problem.

The Book Store is now financially separated from the Treasurer's office with separate bank accounts in Shanghai and in the United States. This has been done in an effort to remove from our books the accounts for books which can so easily be handled as a distinct matter and relieve a good many minor entries from the University accounts. The policy of the Book Store has been to sell to students practically at cost, though

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at an exchange rate of 2 to 1. This difference on exchange has been the only margin which we have had to cover dead stock, deterioration, loss on bad money, expenses of ordering books, etc., etc. Books have been sold to the Faculty without even this margin on exchange. Your Treasurer would recommend that hereafter, books specially ordered by the Faculty be charged to them at cost at a 2 for 1 rate of exchange, and that all books stocked and sold to students or Faculty be sold to all at the same price, a price determined by the actual cost of the book on a 2 for 1 rate of exchange, plus 10% of the purchase price.

You will note the expense for launch and sampan hire during the past term for nearly \$470.00. The plan has been instituted this term charging for rides on the launch, except for Faculty members and officers of the University resident in Foochow and traveling on University business. This will provide for a portion of this expense which is no small one, but one which is necessary as long as members of the teaching staff live in Foochow, and otherwise it ought to be maintained for those living at the University.

This report shows nothing of the expenses paid by the New York office, although we had hoped that by the beginning of this year our books might show these expenses. Dr. North writes as though we may in the future be supplied with this data, so that next year our report can show a full statement.

You will note the expenditure of \$28,409.88 direct instruction expenses out of a total of \$34,000.00 plus, for current expenses; that is, nearly 83%, leaving only 17% for administration, operation and general expense and upkeep.

No official authorization has been received as to funds available for the Chemistry Hall. This explains why there is no credit to this account on the balance sheet. The items of salaries for missionaries paid by their mission have been included this term, but we have not been able to get all the information, and hence certain discrepancies appear opposite these names on the balance sheet. The large debtor balance against W. A. Main is due to the fact that \$11,000.00 Gold had been sent him for sale just before our books were closed and had not been credited to him as sold.

Before closing, I have to express my appreciation to both Dean Scott and Miss Asher, and to all who have co-operated in making the year's work as much of a success as it may have been. Miss Asher is doing much more of the actual work than a year ago, and my average of one day a week, if maintained throughout the year, ought to give me more time this year than last to tackle some of the outstanding problems which are awaiting solution

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In conclusion let me request your consideration of the following items mentioned in the foregoing paragraphs:

1. With a considerable stock of these financial report forms on hand, shall we proceed to have new forms printed before another term, conforming to our new system?
2. Should overdrafts on this past term's account be charged against the Budget for the present year?
3. Will you approve the proposed Budget as submitted herewith?
4. Will you instruct the Treasurer as to the policy to be pursued in handling Gold Drafts for Faculty members?
5. Will you approve of an increase in charges made for books from the Book Store, allowing a larger margin than heretofore?

Respectfully submitted,

*Walter H. Lacy*  
TREASURER

WNL:A

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學 大 和 協 建 福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
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WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

December 12, 1925

INDEXED

Dr. Eric M. North  
150 Fifth Avenue  
New York City

Dear Dr. North:

✓ Your letter of August 17 was received nearly three months ago, and I am truly sorry for this long delay in replying. Your letter came in the midst of an extremely busy month, just before it was necessary for me to spend a month in Shanghai in connection with the settling up of affairs necessitated by the death of my parents. Naturally, an absence of a month resulted in a considerable accumulation of work to be made up on my return, and in the midst of this came our Annual Conference. I have been unable, therefore, to get sufficiently caught up with the routine work here at the University in the one day a week which I am able to give to this job to sit down to reply to your letter before the afternoon launch leaves for Foochow. May I now, at this late date, take up in the order in which you have discussed them a number of the topics in your letter.

NB 1. I am extremely gratified at the acquiescence on the part of yourself and the Trustees at home to my request that the fiscal year should end on July 31. Your suggestion that the income received during the first quarter of the fiscal year, on which the Boards will continue to operate, received during the month of July, should be held for use after August 1, is, I should think, perfectly adequate. In reply to your question as to drafts from us bearing date after July 15, I will answer by advising that all drafts drawn here during the month of July, 1925, were charged by us on our 1924-25 fiscal year. Will you kindly make proper record of this fact in your accounts. I can see that for us to continue to draw drafts during July, chargeable to the budget for that year might cause some confusion or delay in the closing of your accounts. If you would prefer that in the future no drafts should be drawn after a certain date chargeable within the current fiscal year, I should appreciate advice on this subject. We can, perhaps, arrange next July to draw no drafts on this year's account after a certain date by making proper ledger entries for any such drafts that may be drawn after that date before the opening of the new fiscal year in which you will charge such drafts.

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2. I am glad to know that we may once more look forward to the receipt of monthly statements of receipts and expenditures through your office. You will notice that in the report which I presented for the last fiscal year, we were unable to present figures for the expenses in the New York office. We have also been very much at sea as to the income available for our needs paid into your office. We are also lacking information as to the proceeds from the various Scholarship Funds, information which we should have in order that we may apply these funds in scholarships for which they were given. Therefore, I shall look forward to the early commencement of these monthly statements from you. Though you said we should begin to receive them regularly beginning August 31, none have, as yet, come to hand. I trust that when you can get to this task, you will send me a complete statement beginning with the first of August, our present fiscal year. I am quite willing to let the past fiscal year's figures rest as they are if we can make the present year complete in its records.

In this connection I note that you will furnish us a Schedule of Authorized Drawings on Budget which will indicate at the beginning of the year amounts which we can draw or bill against at specific times. This is eminently desirable. I wish we might have had it at the very beginning of this year. I have never been satisfied with the method which I found, and have continued to follow, of drawing on your office for funds as needed without having any knowledge as to what funds we were properly entitled to, or whether you were in a position to remit at such time as we were in need.

Let me apologize right here, if necessary, for the omission on our part of writing you on the occasion of drawing two or three large drafts against you during recent months, which, apparently, has occasioned a cablegram which, I understand, Dr. Gowdy received from you. If we had a Schedule of Authorized Drawings on the Budget, as you have suggested, a need for such a letter would probably not exist. I felt that in the case of the two drafts which I think must have occasioned this cablegram that there would probably be no particular need of a letter, for I think these were drafts which I drew while in Shanghai in October for Building Funds for which I had authorization (referred to later) and which I, therefore, supposed were in your hands and available at sight. It seems to me that funds for which authorizations have been sent to me should be drawable without a special letter of advice that such draft is being drawn. It was not, however, for this reason that I failed to send you this letter; it was merely that these drafts were drawn while I was in Shanghai where I could watch for a few weeks exchange to secure the most favorable rates for funds necessary for our building projects. I had thought that a letter would go to you from this office

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as soon as I returned, but the amount of accumulated routine work caused this to be overlooked. For this I apologize. May I say here that I am today drawing Draft No. 856 for \$1500.00, payable to the Associated Mission Treasurers, for funds on current account.

3. Something less than a year ago, I received an authorization from you to draw up to \$4,500. Gold on account of residence for one of the A.B.C.F.M. faculty members. This authorization was entered in our books at an exchange rate of \$1.90, but we have not been able to draw all of this at as favorable a rate as that. We have, however, not yet drawn the full amount thus authorized on this account. This is the only formal authorization which has come from your office to me. In your letter you refer to the fact that, "Dr. Gowdy has had in mind just what was being done in Foochow and what was available here, and he has written to Wiant, and, I suppose, to you also." I was, of course, apprised of the letters and cablegrams which came to Mr. Wiant with reference to building authorizations, but it has been only since Dr. Gowdy's return that I have been able to enter through our books the figures of funds available for our various building projects, on the basis of a Memo which he has furnished me as follows:

Chemistry Building	\$ 28,352.00	Gold
Water Plant	4,500.00	"
Electric Light Installation	3,500.00	"
Additional on the three		
Small Faculty Residences	350.00	"

These figures are all entered in the books at an exchange rate of \$1.75. We hope to be able to secure a better rate than that for these projects. With these amounts credited to the several project funds, I shall endeavor to see that our drawings on you and our expenditures are kept within these amounts.

4. I fear the matter of "The Great Disentanglement" will be one which will require some months of correspondence and study before it is satisfactorily solved. Miss Asher has gone carefully through the list of drafts listed under "Suspense Against Foochow Treasurer" which you enclosed in your letter, and we are unable to identify all of these drafts from the earlier records. We have indicated on the list, which we have copied from your original, the only information which our books give as to the purposes for which these drafts were drawn. Nos. 61, 83, 85, 86, 147 to 150, 258 to 262, all appear to have been drawn on W. A. Main, and, therefore, I assume that they were drawn for current expenses or for building funds. The books here do not show. Nos. 101, 107, 114, 141, 143, 171, were all drawn to the favor of Messrs. Anderson and Meyer, and I assume that they should all be charged to building projects. No. 282 was apparently paid to the Anglo-Chinese College as

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→ half of the interest from the James estate paid to this University, it being the understanding of Dr. Gowdy, the President of the Anglo-Chinese College at that time, with Dr. F. M. North that this interest was to be equally divided between the Anglo-Chinese College and Fukien Christian University. Therefore, when the full amount was paid to this University, this draft was drawn to pay the Anglo-Chinese College for its share. The other drafts, we have been unable to identify.

Go as far as you can to reimburse the rest.

Good

Your request for a separation of the property investments into Land, Improvements, and Individual Buildings is something that I shall hope to undertake to attempt in the course of time. Up until a year ago, all expenditures for buildings were charged in one ledger account entitled, "Buildings". Most of such payments were made with little or no explanation, either on check stubs or in the books, as to the particular building or specific purpose for which the payment was made. It will, therefore, be absolutely impossible for me to secure anything like definite figures as to the amount spent for the Jones' Dormitory, the temporary buildings, or the residences. You will see from the list of ledger accounts which was sent to your office early in 1925 that under the general No. 4, we are now running separate ledger accounts, Building Funds and Buildings Costs for each of the building projects now under way. When these buildings are completed, we shall, therefore, be able to give you figures showing the cost of the Chemistry Building, the President's residence, the A.B.C.F.M. house, the three small faculty residences (grouped as one unit), the Water Supply Plant, and the Electric Light Installation. We will likewise treat any further building projects which may be undertaken in the future.

5. I think the need for a bank account for us in New York is now pretty largely, if not entirely, removed. With the Schedule of Drawings which you have promised us, with the opening of a bank account for our University Book Store, and with the recent action of the Board of Managers authorizing the discontinuance of drawing drafts on you against the personal account of faculty members, the need for making payments in America has been so largely reduced that there is now no particular need for a bank account, and the number of small drafts which will be drawn on you will be somewhat limited.

6. In order adequately to conduct the work of this office it will be necessary, of course, for us to have a budget statement at the beginning of the year, giving the budget as authorized by vote of the Trustees. This we have not been able to have this year, largely through our own fault. In view of the changing of the fiscal year and our classification of accounts, and of

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my unfamiliarity of the needs of the institution, it seemed impracticable for me to attempt to propose any budget in time for the Trustees to act upon it prior to August 1. Furthermore, the absence of President Gowdy, together with his knowledge of the financial situation resulting from his year at home, which no one here on the field had, and his program for the coming year, likewise unknown to us here, made it seem essential that we defer the making of any budget proposals until his return in September. Since that time a proposed budget for 1925-26 has been prepared and Dr. Gowdy has sent you a copy of this, together with the action of the Board of Managers re same and his own comments. It is probably unnecessary for me to add much, if anything, to what Dr. Gowdy has already written. I feel, however, that one or two points should be mentioned which may have been overlooked, or which were not known at the time of Dr. Gowdy's writing, and I regret that these comments could not have been sent to you as early as the budget and President Gowdy's letter. In estimating the income for 1925-26, we have figured the rate of exchange at \$1.70. This, I believe, is an extremely conservative figure, but I purposely suggested this figure in order to be positively safe in providing, as far as possible, against an expenditure increased by a large loss on exchange. Mr. Main assures me that there is little danger, that exchange will go as low as \$1.70 during the coming year, and the drafts which we have already drawn since the beginning of the present fiscal year have realized from \$1.75 to \$1.80. We should, therefore, receive a fair amount, between two or three thousand dollars, perhaps, as gain on exchange, which will help to cover the difference between the estimated income and proposed expenditure.

A second point has to do with the amount included in this budget for Dr. Gowdy's travel, \$2000.00. This was to cover his return from the U. S. You will note from the Balance Sheet of July 31, that we had a credit from last year's budget of nearly \$4,000.00 in the Financial Campaign Account. Unless there are items in your office chargeable against this amount, and Dr. Gowdy assures me that there can be no large amounts, the items of his travel should properly be charged against that credit, and, is, therefore, not chargeable against the 1925-26 budget.

In the third place, we have, contrary to my own judgment, included in this budget the outcoming expenses of Professors Beeman and Miner in the fall of 1925 and of Professors Blakney and Kellogg in 1926. Thus we are including in this budget the outcoming travel for two years. It seemed to me that the travel for Professor Blakney and for Professor Kellogg, were he not to return until next fall, should be charged in the budget for 1926-27, even though payments thereon would have to be made by your office before August 1. The outcoming of faculty members in the fall is a fact occurring within that fiscal year, and it seems to me the charge therefor should be made against the budget for

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Right

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1925

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that year. Dr. Gowdy felt that inasmuch as the payments would have to be made in part at least before August 1, they should be charged on the budget for this year, and for that reason they were included.

*Good plan*

If Professor Blakney's outgoing expenses of \$3000.00 can be charged against the 1926-27 budget and if Dr. Gowdy's travel can be charged against the budget for last year, this will remove \$5000.00 of the shortage of something more than \$6000.00, which the Board of Managers at a meeting during my absence in Shanghai were unable to approve. With these two items and the gain in exchange, which I am confident will more than cover the remaining \$1,000.00, it seems to me there should be no difficulty on the part of the Trustees in approving this budget, though I should hope that the Board would have underwritten the full amount of this difference as requested by Dr. Gowdy and the budget approved and returned to us before the receipt of this letter.

I believe this covers the various points in your letter of August 17 with the exception of the separation of property and building accounts, on which I am unable to report today.

*MB*

I shall hope to receive from you at a very early date (1) Schedule of the amounts and times within which we may draw, (2) Statement of receipts and expenditures in your office from August 1, (3) Formal authorization for Building Funds as above, and (4) the Budget as underwritten and approved by the Trustees.

Yours sincerely,

*Walter H. Lacy*  
TREASURER.

WNL:A

0583



December 12, 1925

Dr. Eric M. North

P.S. Since dictating the above, I have been again looking at the budget and thinking that the estimated income indicated from the C. M. B. is less than it should have been. This figure was supposed to cover the actual requirements for C.M.B. Departments and Professors, chargeable against the money which Dr. Gowdy raised on the debt while at home. These expenditures include \$6,608 Mex. for the Departments of Botany, Chemistry, Physics and Zoology, and the salary and allowances indicated for Professors Bedient, Beeman, Martin, Kellogg, Metcalf and Sutton. If I am right, the total should be \$27,258.00, or, at \$1.70, Gold \$16,034.12. This together with the suggestions made above will more than cover the expenditures, and, if I am right on these points, leave something to cover certain items not included in the budget, as for example, Assistant Instructors' salaries in the Department of Zoology, to cover Professor Kellogg's courses during this semester.

*Walter H. Lacy.*

TREASURER.

WNL:A

0584

(C O P Y)

SUSPENSE AGAINST FOOCHOW TREASURER

1920		Vo. No.		Paid to
May 25	Draft #5	28	2,000.00	?
1921				
June 3	" 35	84	3,000.00	
15	" 36	88	1,000.00	
July 15	" 42	96	1,000.00	
21	" 44	97	2,000.00	
Aug. 9	" 47	102	2,000.00	
Sept. 8	" 61	118	2,500.00	{ W. A. Main
Oct. 11	" 83	140	1,000.00	{ " "
18	" 85	142	4,000.00	{ " "
Nov. 5	" 86	145	3,000.00	{ " "
1922				
Jan. 8	" 101	157	401.48	(Anderson & Meyer
Mar. 8	" 107	175	842.37	" "
8	" 114	176	1,178.26	" "
Apl. 14	" 141	204	31.50	" "
19	" 143	208	20.80	" "
May 17	" 147 & 148	218	2,000.00	(W. A. Main
29	" 149 & 150	226	2,000.00	W. A. Main
June 24	" 171	232	402.39	(Anderson & Meyer
Nov. 20	" 258	319	6,000.00	{ W. A. Main
20	" 259	320	6,000.00	{ W. A. Main
28	" 260 - 1 - 2	323	18,000.00	{ W. A. Main
1923				
Jan. 10	" 282	339	1,500.00	(Anglo-Chinese College.
	Total		59,876.80	(Charged to General Exp. a/c (Int. as explained in letter.

0586

[1]

學 大 和 協 建 福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
州 福 國 中

WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

October 1, 1926

Dr. Eric M. North  
150 Fifth Avenue  
New York City

TRANSFER

Dear Dr. North:

I write in partial reply to your letter of July 28 with reference to the budgets for 1925-26 and 1926-27. There are certain items in this letter which I shall not attempt to take up fully at this time, and ~~which~~ doubtless will have occasion to write several times during the coming fall and winter. I am hoping to be able during this coming year to put my major emphasis on the adjustment of the accounts between this office and the New York office. But that is a problem which with the time at my disposal for this University work will require some weeks or months and, doubtless, considerable correspondence between the two offices.

In the third paragraph on page two of your letter and elsewhere where the amount to be received through the Board of Trustees in the 1926-27 budget is mentioned, you have given the figure \$53,278.00. According to our figures here this should have been \$53,279.00. This is a minor correction, but in the interest of accuracy should be mentioned.

With reference to the figures for the China Medical Board appropriation in the budget proposed by the Board of Managers, I am not surprised at the perplexity which has been created. This figure was secured by taking the amount required for salaries and allowances of faculty members and for the current operating budgets for those departments which are theoretically supported by the China Medical Board; that is, Chemistry, Physics and Biology. It was our understanding\* that the entire expense for these departments, including faculty salaries, was originally undertaken by the China Medical Board, and since their funds had been diverted the University was responsible for maintaining these departments from other funds. The actual amount required therefor was placed in the budget as receivable from the China Medical Board this year, or from funds secured to cover the debt as being a reimbursement for funds otherwise available from the China Medical Board for these departments. This does

\* Since dictating the above I should modify it in view of information since learned from Dr. Gowdy that the C.M.B. only supported half these budgets, and we had to match the amount. Both halves were included in our figures for C.M.B. funds. WNL

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OCT 1  
1926

not, however, include any part of Mr. Kellogg's salary.

I should like a clear statement as to the relation of Mr. Kellogg and his salary to the China Medical Board. You have referred to "the credit of half or all of the salary of Mr. Kellogg." No one here has a clear understanding and no records are available as to what that relation may be. The nearest that I have been able to figure out in the past two years has been that Mr. Kellogg's salary is paid by the Board of Foreign Missions of the Methodist church and that as a member of that Board he is on exactly the same status as Dr. Gowdy and Dr. Sites. As a member of the science faculty, he has usually been considered a C.M.B. man, and the explanation which seems here best covers the case is that his salary is paid by the Methodist Board in lieu of that much of their grant towards the current budget of the University, that is, that were his salary paid from the C.M.B. funds direct, the Methodist Board would be expected to contribute something more than its present appropriation for current budget, possibly an amount equivalent to his salary. If you can confirm or enlighten us on this relationship, we will appreciate it.

One sentence in your letter has been somewhat confusing. Beginning in the second line on page 2 you say that, "if outside of your Gold Drafts upon us for current expenses for 1925-26 you receive more Mexican dollars than Mex.\$49,526.00..... this extra income should be regarded as income against the appropriation for 1926-27." A study of our receipts from drafts drawn on you during the last fiscal year shows that we realized from this source \$40,828.18 Mex. We had from various sources of local income \$11,568.71, making a total of \$52,396.89 for current expenses. If the excess of this total over the \$49,526.00 which you mention must be charged against our 1926-27 budget, this amount is \$2,870.89 Mex. On the other hand, when our accounts for the year are closed and our report is ready to send to you, you will see that we have kept within the total of the budget and have not used this amount in excess of the budget for current expenses. There are, of course, several items which have been used for equipment for the science departments which were not included in our budget, and some, or all, of this amount is doubtless to be explained as for that purpose. I think our financial statement when completed will shed further light on this question, but I mention these figures, which may not be absolutely true, that we may the sooner be able to come to a clear understanding of this question, for as I say your statement quoted above has been a little bit perplexing.

I am glad that you have sent us a schedule showing funds which may be drawn each month. This will help us very largely in keeping within the funds which you have available for us. It has been one of the difficult problems which we have encountered during the past two years to know where we stood with reference to funds that would be available from your office, and I can

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OCT 1  
1926

[2]

*Good*

readily see how it may have caused embarrassment to you. As a rule, I had very much prefer that instead of drawing within a schedule such as you have furnished us, and which is a great improvement on the former plan, that we might not be permitted to draw on you at all. Of course, at times when exchange is particularly good or when we are facing an emergency, there is an advantage in being able to draw drafts on you to sell at the local market. I think it would tend to lessen confusion if you were to make remittances to us, either on the basis of this monthly schedule or in regular amounts each month as you could best plan it, allowing us to sell such drafts as needed or when exchange was favorable. Whether such a plan should be applied to building projects as well I am not clear, and yet it is the large drafts for those sums which doubtless cause you the greatest embarrassment. Would it be feasible for you to remit to us every month on current budget and at such times or in such manner as might be mutually satisfactory for building operation, allowing us to draw drafts on you only in cases of special emergencies or for special items not covered by these regular remittances, or would it be better to continue through this year the experiment on which we have now started of drawing as we have heretofore but on the basis of the monthly schedule which you have authorized?

We are now trying to follow your instructions to draw no draft over \$1000.00 except at three days sight. We have tried to write you immediately on the writing of each draft so drawn and at the same time have written into the draft the words, "three days after sight."

The plan of drawing drafts to Mr. Main for plant or current funds to be sold when exchange was favorable has been a source of as much confusion to us as to you. And while we shall probably lose something in exchange or by delay in securing necessary funds occasionally, the difficulties resulting from the plan which we have followed during the past year are such for both you and ourselves that we have decided to discontinue it.

We have this past week drawn draft No. 946 for \$10.62, being the income of the scholarship fund available in October which you wrote could be drawn separately over and above the budget and applied to scholarship purposes. It has, of course, been included in the total amount which we have drawn on your schedule to date.

I think our financial report for 1925-26 and our journal entry of your revised budget for 1926-27 will clear up some of the points in your letter when we get them ready to forward.

Sincerely yours,

*Walter A. Lacy*  
TREASURER.

WNL:A

0589

學 大 和 協 建 福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
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WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

October 25, 1926

Dr. Eric M. North  
150 Fifth Avenue  
New York City

TRANSFER

*see abt.*  
*J*

Dear Dr. North:

Your cablegram has been received, which I have decoded to read as follows:

"Referring to our letter of July 28, contrary to instructions draft No. 945 has been presented. Hereafter we will issue drafts. Your authority is withdrawn for drawing on Treasurer of University. Signed by Trustees."

In the first place, may I suggest that in the future cablegrams that must be sent to me do not require "Walter" Lacy, Foochow, is sufficient.

In the second place, let me thank you for deciding to accept the method for remitting funds to us for which I have been asking for two years. You will have received about the time this letter is written, my letter written sometime in September, in which I again expressed the desire that some arrangement could be made for the remittance of funds from New York to us, rather than the continuance of this practice which has been followed in the past of drawing drafts on you. I am glad, therefore, that you have decided to accede to this request, though I regret that same has been forced upon you by any action which has been an embarrassment to you.

In the third place, perhaps it will not be out of place for me to say that when I read your cablegram, I felt as though I had been slapped in the face. I feel that there has certainly been a slip somewhere, or a failure on the part of one of us to understand what the other may have written. I am confident that to the best of my ability, draft No. 945 for \$10,000.00 drawn for payments which had to be made on the Chemistry building was not drawn in violation of the instructions contained in your letter of July 28, or any other instructions received from you. Since this letter has been received, we have faithfully tried to carry out your instructions of presenting no drafts for more than \$1000.00 without doing so on three days sight and writing you that such drafts were drawn. In fact, in one case where two drafts were drawn at approximately the same time for \$500.00 and \$600.00, since that totalled more than \$1000.00, both of these requests were followed.



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1926

[2]

Draft No. 945, and the others which have been drawn in excess of \$1000.00 since the first of August, had written into it (unless I am very greatly mistaken) the words, "three days after sight." By the same mail on which this draft was sent to W. A. Main for sale in Shanghai, our letter went to you telling you that the draft was being drawn. Since the draft had to be negotiated through the Associated Mission Treasurers and the bank in Shanghai, there was every reason to believe that our letter to you might cross the ocean preceding that which took the draft, and at any rate, not later than the same steamer. That letter should certainly have reached you before the draft was presented for payment, and it was our intention, and I believe the intention was carried out, that the draft should be presented for payment after three days. Now, if in either of these respects I have failed to meet the requirements, or if other instructions were contained in that letter which I have overlooked, I apologize.

Now, as for the future handling of funds from New York, I presume your letter of instructions is already on the way. I hope that I may be so proficient in the understanding thereof that no further mistakes will be made. I trust, however, that that letter will have taken up fully the matter of payment of small accounts, such as we have paid in the past by draft on you. You will remember that sometime past, I requested that you arrange for us a bank account in New York to facilitate the payment of such bills without having to draw drafts on your office. Perhaps in view of the fact that you have acceded to our request that hereafter all drafts shall be issued from you, you will further have arranged some satisfactory arrangement, perhaps that of a bank account, for us by which these accounts can be paid.

In the meantime, I trust that all drafts drawn by us prior to October 23rd, the date on which I received your cablegram, when not drawn in violation to your instructions as understood here, and as quoted above, will be honored for payment.

Yours truly,

*Walter H. Lacy*  
Treasurer.

WNL:A

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學 大 和 協 建 福  
FUKIEN CHRISTIAN UNIVERSITY  
FOOCHOW, CHINA.  
州 福 國 中

WALTER N. LACY, TREASURER  
EVA M. ASHER, ASSISTANT TREASURER

June 25, 1927.

FUKIEN

INDEXED

Dr. Eric M. North  
150 Fifth Avenue  
New York City

TRANSFER

*See also H. M. North's memorandum  
7/13/26. Enclosed in E. M. North's folder.*

Dear Dr. North:

At last I am ready to write in reply to your letter of July 27, 1926 with reference to the transcript of your re-writing the University accounts from the beginning. This reply will doubtless be incomplete and inadequate for your needs, but we are furnishing all the data which we can find on the points on which you asked for information and trust that it will be of some service towards the final adjustment of the difficulties which have so long been troubling you.

On page 3 of your letter, you have indicated four items which are to be cleared in connection with these accounts. Let me take these up in order, giving you such information and comments as may be possible, and then I will follow with other matters arising from other parts of the letter.

1. The Clearance of Account 24b for Scientific Equipment.

You state that it is impossible for you to tell whether the equipment covered in these purchases was to be bought from equipment funds presumed to exist in connection with the Science Building or other sources. As far as we can tell, all of these purchases were bought from such equipment funds as you suggest. Wherever equipment was purchases which was not considered as permanent equipment and which should then, I presume, have been charged to "Managers Current Account 431", they have been charged by us as materials against the current account of the department concerned. We believe, therefore, that account 24b--Scientific Equipment--represents only purchases made for permanent equipment, chargeable against such funds, as you say, was "presumed to exist in connection with the Science Building.

2. The Distribution of as much as possible of the Building Operations Undistributed. account, so

that you may have upon your books as accurate a record as possible of the gold amount spent for the various buildings. We have gone through all the data which we could find with reference to the items listed under your account 26f1, and are sending you herewith a copy of that list together with notations

*This is good summary of the  
premises are correct!*

*He does not  
say whether  
the items in  
24b are  
actually those  
listed on this  
book as*

*such purchases  
chargeable to  
Science Equip.  
funds as Plant  
Section. We do not know. The items in this acct. should in total be equivalent to the amount*

*enclosed  
Poultice  
ask to pay this when and  
the matter.  
(over)*

0592

RECEIVED

1937

1937

1. If there are increases which should be made in these a/c. they may be either by transfer from Bldg Op. Audiot or from Acct. 3/Q. So far as possible transfers should be based on specific items. In these accts. In any case enough should be transferred to make total up to the Sci. Eq. Certified to C. B.

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2  
4  
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JUN 25  
1927

[27]

made on most of the items. You will notice that many of these we are unable to find in the early records, and many of them have been so incompletely recorded as to furnish no clue as to the precise purpose for which the funds were drawn. It looks, therefore, as though it would be necessary for us to make an arbitrary distribution, in order that you may charge against each individual building the funds spent thereon. This also is difficult to do, but acting upon the suggestion contained in your letter of March 25, 1926, we have made such an arbitrary determination which seems to us to be rather fair.

Our data here seems to indicate that the total amount charged to all building operations up to January 1925, and including everything built to that date and including the Gardiner Hall Memorial Dormitory was \$294,952.85 Mex. From this amount, we are deducting \$243.50 as being an item properly chargeable to the Chemistry Building, and an item of \$8,000.00, which we estimate to have been the cost of the water supply prior to the construction of the large reservoir recently completed. This leaves a total of \$286,709.35. The actual cost of these buildings is probably less than that. This figure includes all items charged on account of Mr. Mills' salary and other allowances. It probably includes many items which were not strictly a part of the cost of buildings, such as repairs on those buildings up to January 1925, for we have reasons to believe that repair items were charged in some cases at least to the buildings account. This figure probably also includes certain materials purchased for building purposes which went into warehouse stock and which may still be there unused. There is no possibility of our tracing any of these items, which are doubtless included, but which strictly should not be counted as a part of the cost of the building operations.

We are now taking this total of \$286,709.35 and pro-rating it among all the buildings which had been erected before and including the Gardiner Hall Memorial Dormitory. It has seemed to us that as fair a basis of pro-rating this total as we could determine would be on the basis of the amount of fire insurance carried on each of these buildings, and on this basis we are dividing the above total as follows:

The first residence erected, Construction, Bureau No. 761	
8% of \$286,709.35 . . . . .	\$22,936.76
The second residence erected, Construction Bureau No. 762.	
8% of \$286,709.35 . . . . .	22,936.76
The first double residence, Construction No. 763, completed 1922.	
15½% of \$286,709.35. . . . .	44,439.97
The second double residence, No. 764, completed 1923.	
15½% of \$286,709.35. . . . .	44,439.97
Warehouse, 3% of \$286,709.35 . . . . .	8,601.29
Three Small Temporary Buildings for employees' quarters (total for the three)	
3% of \$286,709.35. . . . .	8,601.29
The two main temporary buildings for dormitory and all school purposes combined	
8% of \$286,709.35 . . . . .	22,936.76
	<hr/>
	174,892.80

*charge to January*

*Although so charge to under the circumstances and I think anyway.*

0594

5  
2  
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8  
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JUN 25  
1927

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Analysis of Building Operations (Con't)  
Brought Forward . . . . . \$174,892.80  
Gardiner Hall Memorial Dormitory, 39% of  
\$286,709.35 . . . 111,816.55  
286,709.35

3. The Distribution of Account No. 41X consisting of the amounts in Suspense Against us.

We are sending list of those items from your re-writing with notes made on each items, giving all the data which we are able to find as to the use made of the funds covered by such drafts. Presumably all of those drafts were for building purposes, except No. 5, 35, 36, 42, 44 and 47, which have been found in our current cash account. From the current cash account, however, payments were made for Mr. Mills' salary, several hundred dollars for the purchase of land, to the Construction Bureau on account of Building Operations, and at least \$3,872.94 for the purchase of the launch. The total spent during the period covered by these drafts noted in your account 41X, that is, May 25, 1920 to January 24, 1923, whether covered by these drafts or not, was for land, \$14,541.34; for buildings, \$165,232.20; a total which is considerably in excess of the total of drafts covered in this account. Of this total, some of the money was doubtless secured in drafts designated for building operations, and therefore included in your account 26fl. It is absolutely impossible for us to give any data as to the rate of exchange for which any of these drafts were negotiated. The rate during the period covered by account 41X seems to have varied from \$.99965 to \$2.088.

4. A Check as to whether you are right in charging at present all book purchases in Q31 to the current account.

About a dozen of these purchases we have been unable to identify, but all others have been clearly so charged, and we believe you are correct in so doing. In the paragraph at the top of page 3, of your letter on this subject, you state that this list presumably represents "the books in the Library". I presume it would be more correct to omit the word "the", so that your sentence would read, "presumably represents books in the Library", for all library books have not been covered by the drafts in this account Q31.

With this information, inadequate as we know it is, we trust it will be possible for you to make some progress in the adjustment of these accounts which have so long caused you worry.

With reference to the item of William Hung \$135.00, discussed at the top of page 4 of your letter, we are confident that this amount was drawn and paid over. While it is impossible to determine this positively from our records, circumstantial evidence of our dealings with William Hung and his brothers

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JUN 25

[4]

1927

lead us to believe that there is no such fund now due them. It is probable that this was drawn as a part of some draft for current account and not as would have been better, a special draft for the amount which Mr. Hung had paid to you. The item of \$31.67 paid to Hung on the instruction of Professor Bedient in our "Suspense Account" (not Expense, as you have apparently wrongly stated) has no connection with the \$15.00 paid by William Hung to you on April 30, 1923. This particular item was paid for Mr. Bedient just before his departure from Foochow on his understanding that William Hung would reimburse us therefor, but Professor Hung has since stated his unwillingness to do so, in view of the sums which had already been paid to his brother, and we understand that Hung Fu expects eventually to make good this payment. Hence, it will have to stand for a time, at least, in our Suspense Account, or be transferred to our loans outstanding.

In your closing paragraph you suggest that this money is apparently owed either to the Hung brothers or to us and should be repaid to them or drawn by us. It would seem to us, however, that in view of our conclusions, the money has already been paid and drawn by us through some other draft, that you would simply transfer this credit to some current account.

Sincerely yours,

Walter H. Lacy.  
TREASURER.

*Dr. this credit  
to Q 31 by Wb  
as having been drawn in  
draft. So notify Lacy  
Done - J. W. #40  
10/30/27*

WEL:A

0596



## Fukien Christian University

[7]

B. O. Undistributed Account 26 fl-10/2/27  
6/2/271920

Apr. 6	Draft No.	1	24	20,000.00	Cr. appropriations Treasurer
Nov. 14	"	10	51	3,850.00	N. Y. Treasurer
27	"	15	56	5,000.00	ditto
Dec. 14	"	19	59	500.00	ditto

1921

Jan. 4	"	22	63	6,000.00	ditto	
24	"		68	519.74	not in our records	a
Feb. 17	"	26	71	3,000.00		
Mar. 29	"	29	77	3,000.00	New York Treasurer	
28			76	883.86	not in our records	a
Apr. 6			79	228.00	ditto	a
June 8			86	11.20	ditto	a
			87	1.52	ditto	a
July 11			94	554.27	ditto	a
			95	55.39	ditto	a
29	"	50	98	5,000.00	New York Treasurer	
Aug. 9			101	347.67	not in our records	a
10			104	10.00	ditto	a
23			111	115.60	ditto a Mar. 4 refund on No. 111	
						67.50
Sept. 28			135	138.22	ditto 1922 Jan. 10 refund	
					on No. 135	138.22
Nov. 3			144	3.82	1922 June 15 refund on No. 194	351.45
					Tools	

See 1922

Mar. 28	"	123	194	351.45	not in our records	
Apr. 4	"	163	217	500.00	as part payment for draft from C.B. Mills	
May 17	"	156	221	11.50	magazines for Construction Dept.	
22	"	166	228	3.00	Mill's salary account	
June 5	"	151-173	233	351.45	locks - Chemistry and Biology Equipment	
26	"	182	246	6,000.00	W.A. Main for future sale	
26	"	198	248	109.14	Building materials	
28	"	203	257	70.63	ditto	
Aug. 8	"	140	265	1,181.56	Job No. 700	
Sept. 5	"	196	272	68.68	Building account	
8	"	284	314	414.51	not in our records	a
14	"	255		641.18	Mill's exchange for gold draft. Oct.	
Nov. 1	"			25.00	25 Rebate for Fukien Construction Bureau	665.29
8	"		316	228.14	not in our records	a
Dec. 13	"	254	331	50.00	Mills in exchange for gold draft	
<u>1923</u>						
Jan. 2	"		337	198.86		
24	"	275	355	982.35	Building materials	
Mch. 19	"	308	383	40.00	Mills salary	
20	"	306	84	641.18	Architects fees	
21	"	307	388	18.94	Mills salary	
27	"	309	391	996.92	Building materials. Mar. 19 refund	
					Cabot	4.48
Apr. 12	"	313.314	399	151.64	Building materials	
13	"	305	402	14.00	Mills for cash	
14	"	327	463	4.24	Building account Tracing Paper. Apr. 30 Refund (a/c Bills paid twice)	866.71
May 12	"	332	416	300.00	suspense account C. B. Mills	
June 13	"		434	27.05	not in our records	a

Continued

0597

(8)

1923

June	20	Draft No. 349	438	123.39	cement mixers	
	22		440	12.75	not in our records	a
			441	446.14	ditto	a
	27		443	898.62	ditto	a
July	11	" 365	452	4,000.00	W. A. Main	
	13	" 363.366	454	10.98	Books, Materials, Bldg. a/c.	
	26		462	179.24	not in our records	a
Aug.	22	" 355	475	200.00	in exchange for \$200 gold from Mills	
Oct.	31	" 405	511	800.00	plumbing - Dormitory (?)	
Nov.	30	" 411 412	526	1,008.47	C. B. Mills - Travel (?)	
Dec.	14	" 417	530	108.33	ditto	

1924

Feb.	25	Sal. & Mills	567.568	134.00	Mills account
Mar.	29	Sal. Mills	589	125.00	ditto
Apr.	1	" " & Allnc	597-8	300.00	ditto
	10	Med. Mills Family	607	17.25	ditto
	25	Sal. Mills	615	125.00	ditto
May	9	C. B. Mills rent			
		Allnc.	627	31.00	ditto
	24	C. B. Mills	640-37	175.00	ditto
June	28	ditto	659	175.00	ditto
July	25	ditto	680	175.00	ditto
Aug.	25	ditto	696	175.00	ditto
	27	ditto	720	175.00	ditto

NB→1922

Jan.	8	Draft No. 101	157	401.48	Building materials
Mar.	8	" 107	175	842.37	ditto
		" 114	176	1,178.26	ditto
Apr.	14	" 141	204	31.50	ditto
	19	" 143	208	20.80	interest on bills
			232	402.39	Building materials
				74,872.68	

2,093.65

779.03

Canner  
check

68	519.74-
76	883.86-
79	228.00-
86	11.20-
87	1.52-
94	554.27-
95	55.39-
101	347.67-
104	10.00-
264	641.18-
316	228.14-
434	27.05-

7508.62

12.75

446.14

898.62

179.24

5044.77

0598

Fukien Christian University

*Ref. 6/25/27 (31)*

Suspense Against Foochow Treasurer - Acct. 41X

<u>1920</u>									
+	May 25	Draft No. 5 ✓	28	2,000.00	"Cr. Treasurer, Sale of Draft" - pre-				
					sumably current expenses.				
<u>1921</u>									
+	June 3	" 35 ✓	84	3,000.00	"Sale of Gold" apparently for current				
					expenses.				
+	15	" 36 ✓	88	1,000.00	"Sale of Gold" " " " " Exp.				
+	July 15	" 42 ✓ J.C.	96	1,000.00	" " " " " " " "				
					(including "Launch engine & fitting				
+	21	" 44 ✓ J.C.	97	2,000.00	"Sale of Gold" apparently for current				
					expenses. (including "Launch engine				
					and fittings.")				
+	Aug. 9	" 47 ✓ J.C.	102	2,000.00	"Sale of Gold" apparently for current				
					expenses.				
	Sep. 8	" 61	118	2,500.00	- <i>Treat as building item</i>				
	Oct. 11	" 83	140	1,000.00	"To W. A. Main"				
	18	" 85	142	5,000.00	" " " "				
	Nov. 5	" 86	145	3,000.00	" " " "				
<u>1922</u>									
	May 17	" 147-148	218	2,000.00	"W. A. Main, for sale according to our				
					future order"				
	29	" 149-150	226	2,000.00	- ditto -				
	Nov. 20	" 258	319	6,000.00	"W. A. Main. Suspense."				
	20	" 259	320	6,000.00	- ditto -				
	28	" 260-1-2	323	18 000.00	- ditto -				
<u>1923</u>									
	Jan. 24	" 442	351	3,000.00	- ditto -				
				<u>59,500.00</u>					

*Dr. 41*

*chg-*

*231 - (Dfts marked +) 11,000.00*

*2671 - B. O. Ind. 48,500.00*

*3297 - C. in Susp. 59,500.00*

*Dr*

*417 - F. J. Susp. 59,500.00*

*29 - Plant Cash 48,500.00*

*239 - Prov. Cash Ad. 11,000.00*



3685 TRAYNHAM ROAD  
SHAKER HEIGHTS, OHIO

August 12, 1934.

*ack - 11/13/34*

Mr. C. J. Lin,  
143 East Washington Street,  
Pasadena, California.

Dear Mr. Lin,

A bunch of F.C.U. Bulletins reached me just before Mrs. Lacy and I left for a brief vacation in Michigan, from which we learn that you and your family are probably already -- in fact, have been for some weeks -- in this country. If this is not too late, may I extend to you all a welcome, and express the wish that the year ahead of you will be full of very great pleasure and of worth-while profit for you all, and for the University.

All routes from southern California to New York do not go thru Cleveland, and because of this fact several of our friends have crossed the continent, some of them several times, without our being able to see them. I do not know anything about your plans, other than that you are to be in the east during the coming months. But if you go east this summer by a route that takes you thru Cleveland, or if at any time during the year, you should happen to be in this vicinity, we certainly hope you will let us know it, for we should be disappointed if you get back to Foochow without our having seen you at all.

There are so many people in and around Pasadena who have been in Foochow, that I am sure you are being given a hearty welcome in that section. And since the Southern California Conference is now particularly interested in the Foochow Conference of the Methodist Church, I presume you are finding many valuable opportunities for creating new interest there in the University.

With kindest regards, and a hearty welcome, believe me,

Very sincerely yours,

*Walter H. Lacy*

0600

August 29, 1934.

Mr. Walter N. Lacy  
3685 Traynham Road  
Shaker Heights, Ohio

Dear Mr. Lacy:

It was very good of you to write me on August 12. We had a very fine voyage across the Pacific. We are now quite busily engaged in speaking to the Methodist Churches in Southern California. I have an engagement every day and generally speak three or four times on Sunday. We are enjoying meeting our friends here. We have met most of our Foochow people around here and we are very glad of that. We hope that we shall be able to stop at Cleveland and have a good visit with you and your family.

We do not know yet when we can leave here. Our last engagement for the Methodist Churches is on the evening of September 16. We are trying to cancel some of the later dates but have not yet heard how successful that will be carried out. The Congregational church people are also trying to arrange some meetings in which they will invite us, and those dates are not definitely decided upon. In the meanwhile our trustees are planning to have a meeting in New York on September 28 and are expecting us to be in New York around September 24 so we have to plan our trip between the last appointment in Southern California and that of our trustees in New York. We would like very much to have some time in Cleveland and when we have our schedule definitely made I will write you immediately.

You probably have heard that Mrs. Lin and the two children are with me. Where would you suggest we can stay somewhere in Cleveland when we stop for one or two days. We would like to know the place where we can stop so that we can write to other friends of ours around Cleveland, such as the Bevans in Oberlin.

Looking forward to seeing you soon, I am

Yours very sincerely,

President, Fokien Christian  
University

0601

3685 TRAYNHAM ROAD  
SHAKER HEIGHTS, OHIO

September 6, 1934.

Mr. C. J. Lin  
318-A Mission Road  
Glendale, California.

Dear Mr. Lin,

We were glad to have your letter and to know that there is a chance of a visit from you. Since you added a postscript to the effect that you might be able to start east on the fifteenth, I think this letter will reach you before you leave California.

Mrs. Lacy and I regret that conditions are such that we could not have you and the family with us while you are in Cleveland, but we shall certainly try to see you and have you out here for a little visit. I today made some enquiries, and can report as follows:

The New Amsterdam Hotel, Euclid Avenue and East 22nd Street, has one room with double bed and a three-quarters bed, without bath, which can be had for \$3.00 per day; also a suite of two bedrooms and sitting room, double bed in each bed-room, I believe, and bath, for \$5.00 per day.

The Allerton Hotel, Chester Avenue at East 13th Street, could give you a large room with one double and three single beds, and bath, for \$5.00 per day; or a suite of two rooms and bath, twin beds in each room, I think he said, for \$6.00 per day.

Either of these hotels is considered very good, their rates are very fair as rates go, and they are both conveniently located down town. But of the two, I believe, all things considered, you would find the New Amsterdam preferable.

Since you are due in New York on or about the 24th of this month, you will probably be in Cleveland the week before, some time. I am glad that it will be then rather than a week later, for I am hoping to be in Philadelphia some time during the week of the 24th-28th. I do not know just when I shall be going, but shall probably not leave here before the 24th or 25th.

Looking forward to your visit and the chance to make the acquaintance of Mrs. Lin and the children, in which Mrs. Lacy joins, believe me,

Very sincerely yours,

Walter M. Lacy

0602



3685 TRAYNHAM ROAD  
SHAKER HEIGHTS, OHIO

October 14, 1934.

Mr. C. J. Lin,  
150 Fifth Avenue,  
New York, N. Y.

My dear Mr. Lin,

Your letters, saying you were going to be unable to stop in Cleveland en route to New York, should have been acknowledged long ere this. But they came, one on the eve of my departure, and the other during my absence from Cleveland, or I would have written at once. Inasmuch as you did not reach Oberlin until the date you did, I was somewhat glad that you were unable to stop in Cleveland, for I should have very much regretted having to be away when you were here. And as it was I left for Philadelphia the Monday that you were in, or left, Oberlin.

The American Hospital Association met in Philadelphia the last week in September, and I was there for four days that week -- a very profitable four days for me.

We were of course disappointed that your plans did not permit you to stop here before I went east and you went on to New York. But you wrote that you will be visiting Cleveland again, probably some time this month, and we are looking forward to that opportunity to see you, tho it looks as tho that will prevent us from the privilege of meeting and knowing your wife and children.

I am glad that it was possible to get word to you that the Beemans are in Illinois, for I know it would have been a real disappointment to you to expect to find them in Oberlin, and miss them, and likewise they would have been greatly disappointed to have had you pass by without knowing that you were missing them.

I know you are finding these busy days, but I trust you are also finding them very profitable. We shall be glad to hear from you at any time, and to see you when your program permits you to come this way.

Very sincerely yours,

Walter A. Lacy

0603

November 14, 1934  
(Dictated November 13)

Mr. Walter M. Lacy  
3685 Traynham Road  
Shaker Heights, Ohio

Dear Mr. Lacy:

You probably have received from our New York office bulletins about our coming to Cleveland before long. We are due in your city November 18-22. We will be staying together as a team at the Hotel Statler. It is my hope that I will have a chance to see you while we are there.

We do not have so many friends of Fukien Christian University in Cleveland. If you know of people who will be interested in our work, I hope you will let us know so that we may notify them to some of our meetings there. If you will supply us with a list of the names and addresses of people whom you think we ought to have on our mailing list, we shall be glad to receive them also. We can then send them literature about the University.

Our family is now settled at Hartford, Connecticut. Due to the illness of our children, chiefly cold, Mrs. Lin will not be able to travel with me this time. It is our hope that we may see you and your family some time before we leave for China next July. Should you come to the East in the spring, kindly let us know so we will arrange to have you visit us.

It looks quite certain that the Methodist Board of Foreign Missions will send the Kelloggs back to us in the spring. I had a visit with the Kelloggs at Amherst last month. They are doing very well there, but their hearts are in Foochow, and they are quite interested to go back. It will be a great help to our work when they do return.

With kindest regards and best wishes,

Yours very sincerely,

C. J. Lin

CJL:HV

Enc. Schedule

0604