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General Education Board  
1921-1922



General Education  
Board

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July 15, 1921

General Education Board,  
81 Broadway,  
N.Y.C.

Gentlemen:-

I have been much interested in a multigraphed copy of a form for financial statement which I understand is used by the General Education Board in securing reports from educational institutions of the country as to their financial condition. The document to which I refer is of 28 pages, headed "Financial Statement" and begins on the first page with the classifications of permanent funds, etc.

I am concerned with an effort to prepare satisfactory statements of the financial condition of Peking University and also in some standardization of the financial statements of other mission universities on the foreign field. I should appreciate it greatly if you could forward me three copies of this form which might be used by some of our representatives in discussing this matter of standardization as they visit the universities this summer and fall.

I should also be greatly pleased to receive samples of other forms which seem, in your judgment, to be of assistance in making out proper reports both financial and educational.

Very cordially yours,

EMM VR

Secretary.



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# General Education Board

FOUNDED BY JOHN D. ROCKEFELLER 1902

61 BROADWAY  
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James H. Dillard  
Charles P. Howard  
Trevor Arnett

July 18, 1921

Eric M. North, Esq.  
156 Fifth Avenue  
New York City

Re PEKING UNIVERSITY

*J*  
TRUSTEES OF  
PEKING UNIVERSITY

My dear Mr. North:

I have your letter of July 15th.

It is a pleasure to be able to comply with your request.

Under separate cover, I send you 6 copies of our blank forms that are forwarded to institutions of higher learning which apply to the General Education Board for financial assistance. I send, also, 6 copies of a form that is used to secure information regarding institutions for Negroes. As you will observe, these blanks have been prepared with a view to securing data relating to the budgets of schools for Negroes which apply to the Board for aid.

You may be interested to learn that our Mr. Arnett is now engaged in completing a volume dealing with University and College Finance. It is expected that this will cover in a comprehensive manner all phases of institutional accounting. We hope that it will be ready for publication and distribution in the late fall, and I shall take the liberty of having your name placed on our mailing list in order that a copy may be sent to you.

Very truly yours,

*A. N. Brewster*  
Chief Clerk

WWB:BLA



July 21, 1921.

General Education Board,  
61 Broadway,  
New York City.

TRUSTEE  
PEKING UNIVERSITY

Attention W. W. Brierley, Chief Clerk.

Gentlemen:-

Permit me to acknowledge your cordial letter of July eighteenth and indication that you are forwarding to me copies of blank forms which I requested. I shall be very glad indeed to have them.

I note also the volume which Mr. Arnett is preparing on University and College Finance. This will be very welcome to me and I would appreciate it if one copy might be sent to Peking University office and another copy to the Department of Education of the Board of Foreign Missions of the Methodist Episcopal Church, 150 Fifth Avenue, New York City, in order that we may have it in our library for officials of universities to examine as they come through our offices.

Very cordially yours,

EMM  
HBB



July 27  
1922

Mr. Trevor Arnett,  
General Education Board,  
51 Broadway,  
New York City.

My dear Mr. Arnett:

I have been recently endeavoring to develop budget forms for use in connection with Peking University, with the thought that they might be helpful in solving the many problems of budgeting which these Universities have. I have been using your book, "College and University Finance" as a basis for it. I find, however, that there are certain problems upon which I am sure you can cast light that will much simplify some of the arrangement of budgets. In going over the schedule of budget appropriations as given on pages 75-28, I presume the budget organization there presented is that for a college alone. The problem I have immediately before me is that of a University with two or three constituent Colleges. There then comes the question as to how certain general budgets should be charged to the separate colleges. For example, should university general - that is, the President's office and other executive items and general university publicity and expense be charged against the College of Arts and Sciences, or should that be charged pro-rata against the different colleges, or should it be taken out altogether from the college budgets and stood in a class by itself? The latter procedure is the one I have followed in the case of the sample budget forms I enclose.

In the second place, while the operation and maintenance of the physical plant, as far as heating, lighting, water and power is concerned can be charged, probably, to the individual colleges; and to some degree the care and maintenance of buildings and furniture can likewise be distributed on the basis of actual facts, presumably superintendence and care and maintenance of grounds would have to be either a general item or distributed. I have included under University General that portion of general operation and maintenance which could not be chargeable to separate colleges or other units. Is this a sound procedure?



Again, a similar problem is in the case of the library where the library is a general university library used by all the schools and departments, should the library be carried entirely in University General or should its charges be distributed against the different colleges; or should part be held in University General and only purchases made on requisitions of colleges be included in budgets of the colleges. These are the general basic questions which have.

The minor ones are these:

1. Is the care and maintenance of dormitories included in under care and maintenance of buildings on page 76 or is that item left out that budget and charged specifically against the dormitories?
2. Where in the budget should the salary and equipment costs of the University's medical officer appear, under University General or if he is teaching Hygiene, in part under the constructional budget in the College of Arts and Sciences?
3. Item 4 under Instructional refers to departmental equipment and books on page 77. What is the relation of these books to the budget of the library. That is, are books included in the individual budgets of the Department even though put through the processes of the library administration; or are they held by some general library fund?
4. Under 2D at the top of page 76 appears appropriations to student activities. On page 78 there appears somewhat similar appropriations such as athletics. I assume that in your judgment athletics belongs under V. Where does the Y.M.C.A. appropriation go, under V or 2D?
5. Where do the funds for publications go that are not publicity funds or for printing reports or catalogs, but are for the assistance of the Faculty in printing learned dissertation and other professional matter. Does such an item belong under University General or under V?

I would also very much appreciate your general judgment as to the budget forms which I enclose and permit me to profit by any criticisms you may have. You will note that one of the costs which I have included under instructional is the cost of getting our Faculty out to the field under the heading "Furlough and Other Transit." I do not see any other place in which this can properly be put. A second variation from the American practice is the fact that part of the Staff have their salaries paid directly by mission boards to them and accordingly in the accounting forms of the University Treasurer these sums do not appear ordinarily. I am trying, however, to fix the budget statement so that the budget will include the whole story and we can know the total amount of educational expense.



The form for budget of income for the Board of Managers, you will note is essentially a form of request stating under the different heads the amount required from the Trustees. When once the budget is adopted, that item would become, of course, a from Trustees.

The complication of the fact that the budget of the Board of Managers is made in Mexican dollars while the budget of the Trustees is made in gold, we have tried to take care of in the sheet headed "Trustees Appropriation Budget." In the case of income to the Trustees, the mission boards guarantee a two for one rate on their current appropriation. Sometimes the University Trustees have made their appropriations in gold, guaranteeing a two for one rate, but recently their process has been to estimate what average rate of exchange is likely to exist and appropriate an amount in local currency and estimating the gold required on the basis of that rate of exchange. Of course this sometimes involves us in loss in exchange but it seems hardly practicable for us to discharge our responsibility as trustees and require the President and the Board of Managers on the field to work on a budget that is unknown in its Mexican value.

I would hesitate to ask you for so much information and criticism were it not that your judgment will be of help not only to Peking University but to a number of other of the mission universities and colleges. I have had several letters of appreciation of the book from college executives on the field.

With all good wishes, I am

Faithfully yours,

Secretary

EMH  
JL



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# General Education Board

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July 31, 1922

TRUSTEES OF  
PEKING UNIVERSITY

Mr. Eric M. North  
Secretary, Peking University  
156 Fifth Avenue  
New York City

My dear Mr. North,

Your letter of July 27th to Mr. Arnett has been received. Mr. Arnett is away and will not return for several weeks.

I am taking the liberty of referring your communication to Mr. Thorkelson who is familiar with all the details connected with college accounting. Indeed, it should be said that Mr. Thorkelson assists Mr. Arnett in this phase of the Board's work. You may expect to hear from Mr. Thorkelson shortly regarding the questions asked in your letter.

Very truly yours,

  
Chief Clerk

RECEIVED BY	ERIC M. NORTH
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Assistant Treasurer

*Scopis Single Space*

*Return for acknowledgment*

General Education Board

FOUNDED BY JOHN D. ROCKEFELLER 1902

61 BROADWAY

NEW YORK

August 1, 1922.

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TRUSTEES OF  
"BERNARD UNIVERSITY"

Mr. Eric M. North,  
Sec'y., Peking University,  
156 Fifth Avenue, City.

My dear Mr. North:

1. Replying to your letter of July 27 addressed to Mr. Arnett and referred to me for reply: You are correct in assuming "the budget organization there presented is for a college alone." It is typical of the type of institution to which a large share of our work is devoted.

2. In the case of a university made up of several colleges or other divisions it is customary to set up in the budget a division for "Administration and General" for the entire university, and also a separate division of "Physical Plant" to include care and upkeep of all the buildings and grounds. It is also a common practice in the "Physical Plant" budget to allocate the care and upkeep of buildings by buildings. The total heat, light, and water costs are shown in detail, e.g., salaries, coal, etc. This total is then also allocated by buildings and the actual expenditures charged monthly or, in some cases, at the end of the year to the separate buildings or colleges on the basis of their use or consumption.

3. In the case of dormitories or any other division in which it is desirable to show in the budget both the direct and indirect charges, one method often followed is to show in the "Physical Plant" budget the proposed total expenditures for heat, etc., as mentioned above, and then deduct from the total that portion chargeable to dormitories and transfer in memo this



item to the dormitory budget. This segregates all expenditures of the heating plant, for example, and the transfer in memo to the particular department keeps the total charges of any self-supporting activity properly allocated.

4. At the University of Wisconsin, for example, the budget of the College of Letters and Science carries merely the proposed expenditures for the direct charges of salaries, supplies and expense, and equipment. The indirect charges of heat, light, water, janitor service, and repairs are in the "Physical Plant" budget. On the other hand, the "Dormitories and Commons" division and the "University Extension" division of the total budget show their entire expenditures both direct and indirect, their proportional part of the "Physical Plant" being deducted from the total of the "Physical Plant" although the details on which this proportion is based are given in the "Physical Plant" budget. This plan is followed as the "Dormitories and Commons" division must be self-supporting and the "University Extension" division operates on special legislative appropriations.

5. In the case of the separate colleges, such as Medicine or Engineering, the college budget shows an administration division which includes under "Salaries" the Dean's salary, or a proper proportion of it, his clerk, and other similar items. The separate departmental budgets show the salaries by individuals, and if the Dean does some teaching, his name appears in the appropriate department with some fractional part of his salary assigned to teaching. In the department called "Administration", and also in the appropriate teaching department, a foot-note would give a cross reference and show his total salary.

6. Another method followed in budgets for a large university is to show "Supplies and Expense" in such detail as is desired, and "New Equipment"



in the budget as a total for the college division, and as requisitions are filled these are usually charged to the particular department of the college for which the material is secured.

7. In the case of the library of a large university a separate budget division is set up for the general library. If the colleges or other divisions maintain additional departmental libraries, the proposed expenditures for these smaller libraries are set up in the appropriate college budget. This division of the budget in no way interferes with co-operation and general direction, including the ordering of new books through the office of the general librarian, who transmits his orders to the university purchasing agent.

8. It is the practice of many institutions to carry such items as the office of the Dean of Women as an item under University "Administration and General," but a comparatively new practice, which appeals to me, is to set up a separate budget division called "Student Welfare" including student health, Y.M.C.A., and Y.W.C.A., student athletics, Dean of Men, Dean of Women, and subsidies to student publications, etc.

9. In the case of a person whose work is divided as a medical officer, giving only part-time to student health and part-time to teaching, it is common practice to divide his salary. His name would then appear twice in the budget, once under "Student Health" and a second time in the college where he taught. In both cases foot-notes would refer to the other department and show his total salary.

10. Appropriations for faculty publications are usually placed as a college item, although if this is not practical, it may be included under "Administration and General" as is the university catalogue. Both practices



4 - EBN

are sometimes followed at the same institution, e.g., at Wisconsin appropriations for university bulletins prepared by the faculty men are allocated by colleges. An appropriation for special investigations, whose distribution is handled by a university committee, is set up under "Administration and General" in order to facilitate the work of the committee in assigning sums for special investigations and altering such assignments from time to time as they deem best.

// I believe you are correct in principle in setting up your item of "Furlough and Transit" as you have. Budget making is a process of constant development. Its form of preparation should fit in with the system of accounts, and this in turn should supply the information which is desired for the published reports.

Trusting this rather lengthy reply will be of assistance, I beg to remain

Yours very truly,

EJT AM

*H. J. Thorkelson*



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Raymond B. Foedick

September 30, 1922.

Mr. Eric N. North,  
Secretary, Peking University,  
156 Fifth Ave.,  
New York City.

My dear Mr. North:

Replying to your letter of September 28 th, expenditures for architecture fees for designing the general lay-out of buildings and grounds is properly a charge against Plant Assets, as are also expenditures for roads, paths and landscape work, which represent improvements and not maintenance or renewal.

At some Institutions, Plant Assets are separated under four heads-Land, Land Improvements, Buildings and Equipment. When this is done the items mentioned are properly assigned to Land Improvements, although if no such head is kept, it is correct practice to charge these items to the general heading of Land.

Yours very truly,

*H. J. Thorkelson*  
H. J. Thorkelson

HJT:R



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ERIC M. NORTH ( )	
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10/9/22	
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