

# Accounting Historians Notebook

---

Volume 14  
Number 1 *Spring 1991*

Article 11

---

Spring 1991

## Accounting and controls in the second temple

Kevin Nathan

Follow this and additional works at: [https://egrove.olemiss.edu/aah\\_notebook](https://egrove.olemiss.edu/aah_notebook)



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

### Recommended Citation

Nathan, Kevin (1991) "Accounting and controls in the second temple," *Accounting Historians Notebook*: Vol. 14 : No. 1 , Article 11.

Available at: [https://egrove.olemiss.edu/aah\\_notebook/vol14/iss1/11](https://egrove.olemiss.edu/aah_notebook/vol14/iss1/11)

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Accounting Historians Notebook by an authorized editor of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

Nathan: Accounting and controls in the second temple  
**AREA(S) OF PARTICIPATION**

I would like to participate in the Sixth World Congress of Accounting Historians in the area(s) marked below:

- |  |  |
|--|--|
| <input type="checkbox"/> Submit paper    | <input type="checkbox"/> Discussant in a session |
| <input type="checkbox"/> Review paper    | <input type="checkbox"/> Attend only             |
| <input type="checkbox"/> Chair a session |  |

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE/PROVIDENCE \_\_\_\_\_

COUNTRY: \_\_\_\_\_ ZIP/POSTAL CODE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_  
Country Code/Area Code/Number Country Code/Area Code/Number

COPY AND MAIL TO: Yoshihiro Hirabayashi\* or Hiroshi Okano  
 Congress Secretary  
 Sixth World Congress of Accounting Historians  
 Faculty of Business  
 Osaka City University  
 3-3-138, Sugimoto, Sumiyoshi  
 Osaka 558 JAPAN  
 \*FAX 011-81-6-605-2200



**ACCOUNTING AND CONTROLS IN THE  
 SECOND TEMPLE**

*by  
 Kevin Nathan*

*The author wishes to thank his colleagues, Gadis Dillon, Sandra Pelfrey and Barbara Theisen. He also wishes to thank Paul Frishkoff, University of Oregon, Martin Lockshin, Vanier College, York University and Rabbi Yehuda Nussbaum for reading earlier drafts of the paper. Any remaining errors are the fault of the author.*

The Second Temple, which stood in Jerusalem from around 520 B.C.E. to 70 C.E., is known to many in its role as a religious institution. The Bible describes, in Exodus, Leviticus and Numbers, the Jewish sacrificial system and its laws. In Kings it describes the building of the First Temple, and in Ezra and Nehemiah the

building of the Second Temple. No primary records have survived concerning the operation of the temple. Therefore, for a detailed description of the Temple's operation and financing it is necessary to examine the Mishnah.

The Mishnah is a written codification of the Oral Law passed down from the time of Moses. It contains statements of law, history and procedure accompanied by rabbinical discussions. The tractate relevant to this paper is *Shekalim*, which describes the collection of the annual poll tax and of the other required or voluntary contributions, and the uses to which the money was put. It also discusses the physical controls used to safeguard funds. This paper discusses how the monies were collected, properly identified and used for appropriate purposes. It does not address the payments that went directly to the priests without flowing through the Temple treasury, e.g. tithes.

## SOURCES OF REVENUE

The Temple's main source of revenue was the annual half-shekel [1] tax described in Exodus 30:11-16. Every adult male Israelite was obliged to contribute a half-shekel regardless of his level of wealth. Announcements concerning the tax were made one month prior to the due date of 1 Nisan (March/April) [*Shekalim* 1:1]. Collections were made in the provinces and foreign countries as well as in Jerusalem. The coins were taken to Jerusalem and deposited in a pit in the treasury chamber. This pit literally represented a physical fund. The allocation, also physical, of this revenue to different funds is now discussed.

In Exhibit 1 the sources of revenue are listed in the first column while the funds are listed across the top of the page. The primary use of the poll tax revenue was to purchase the biblically required communal animal offerings ("treasury chamber" fund); indeed, only the poll tax

revenue could be used for this purpose. Withdrawals were made three times a year, prior to each of the pilgrimage festivals, by scooping out three buckets full of coins [*Shekalim* 3:1]. This withdrawal was known as *terumah*. Any excess coins left in the buckets after buying communal offerings constituted "the remainder of the *terumah*." The coins left in the treasury pit were known as "the remainder of the chamber." These remainders are shown as R1 in exhibit 1, the first claim on excess revenue. The items for which these coins were spent are discussed in the section on expenditures. Any coins left in the pit after such expenditures were designated as "surplus of the remainder of the chamber," (shown as R2, the second claim on excess revenue).

A second source of revenue was an ongoing tax amnesty program. Those who did not pay their half-shekel the previous year could deposit it in a box marked "Old Shekels." Such monies were included in the "remainder of the chamber" fund [*Shekalim* 4:2 and 6:5].

A third source of revenue was the voluntary consecration (donation) of possessions. Most consecrated items were sold for the upkeep of the Temple. Animals suitable for sacrifice were sold to those needing sacrificial animals, and the proceeds went to the Temple upkeep. Raw spices needed for incense were donated to the incense fund. Wine, oil and fowl were sold, and the proceeds used to purchase voluntary burnt offerings which were offered when the altar was idle.

A fourth source of revenue was donations in kind, or money for a particular purpose. For example, donations to the wood or frankincense funds could be made in kind or with money (denoted on exhibit 1 by "\$ or K"). Similarly, one could give utensils or gold to the utensil fund, but unsuitable or unneeded utensils were sold and the proceeds went to the

Nathan: Accounting and controls in the second temple Temple upkeep [2].

[*Shekalim* 4:4].

A fifth source of revenue was the six remainder chests, *i.e.* remainder of sin offerings, guilt offerings, bird offerings, nazirite offerings, *metzora's* [3] guilt offering and donative offerings [*Shekalim* 2:5]. The first five chests dealt with specific types of sin or guilt offerings. If an individual set aside more money than was needed to purchase a required offering, the excess was considered to be consecrated and had to be given to the Temple. The excess money was put in the appropriate chest and went into the voluntary burnt offering fund. The sixth chest, "donative offerings," consisted of the remainder of various other offerings plus voluntary donations.

The chest marked "Nests" was for those obliged to bring two fowl, one as a sin offering and one as a burnt offering. Money placed therein was used to buy these offerings. The "Young Pigeon Burnt Offering" chest was for those who wished to offer a voluntary burnt offering of fowl (as opposed to male sheep, cattle or goats) [*Shekalim* 6:5].

Another source of revenue was the "incidental profits of the *nesachim*." The *nesachim* (libations) were the flour, oil and wine which accompanied various offerings. The amount of each commodity varied with the type of offering. The Temple purchased *nesachim* at a price which was fixed monthly. If the price rose during the month the merchant was still bound by the contract price and delivered the agreed quantity. If the price fell, however, the merchant had to supply a larger quantity of *nesachim*, reflecting the lower price. The excess was sold and placed in the "remainder of the *nesachim*" account. Also, merchants were required to use heaped measures when delivering *nesachim* and the difference between the heaped measures and the level measures needed was sold and placed in this fund

## ITEMS OF EXPENDITURE

Exhibit 2 shows the types of items on which the monies in the funds were spent. The treasury chamber fund, containing only the current year's poll tax revenue, was principally spent on the purchase of communal offerings. Another primary use of the fund was to pay for necessary items incidental to the communal offerings [*Shekalim* 4:1]. For example, every Sabbath twelve loaves of bread were placed on a golden table in the Temple and the prior Sabbath's loaves eaten by the priests. The salaries of the bakers were paid out of the treasury chamber fund. The fund also paid for wood and incense if there was not enough money in these funds.

As described in the revenue section, the excess of the treasury chamber fund went into the remainder of the chamber fund. This fund would have grown quite large as the population of Israel grew following the return from Babylonian exile. Part of it was spent building a ramp from the Temple to the outskirts of Jerusalem. On the Day of Atonement the he-goat which was to be sent away was led out of town on this ramp (Leviticus 16). Most of the fund, however, was spent on maintaining the water pipe which supplied water for the cleaning of the Temple courtyard, and on the needs of the city of Jerusalem [*Shekalim* 4:2]. Other city needs, funded by the remainder of the chamber, included maintenance of the walls and fortifications, street repair and the digging of wells.

The surplus of the remainder of the chamber, remainder of the *terumah*, remainder of the *nesachim* and voluntary burnt offering funds all went to purchasing animals, and their accompanying *nesachim*, which were used as burnt offer-

*continued on page 29*

*Nathan: continued from page 23*

ings whenever the altar was not being used for the communal offerings or for private offerings. The Temple upkeep fund is not discussed and seems to overlap with the remainder of the chamber fund. The utensil, wood and incense funds were spent on the specific items for which they were designated. The "Nests" and "Young Pigeon Burnt Offering" chests were emptied daily and the proceeds used to purchase burnt offerings and sin offerings.

## REVENUE IDENTIFICATION AND SAFEGUARDS

The monies which the Temple collected were often earmarked for particular purposes. However, control was not maintained by careful recordkeeping and the calculation of account balances. The Mishnah says very little about the accounting records which were kept and it is possible that account balances were not recorded at all. Instead, control was maintained by an elaborate system of physical safeguards.

The half-shekel tax revenue was, as mentioned earlier, deposited in a pit in the treasury chamber. Access to the chamber was tightly controlled; the presence of seven supervisors (each having a needed key) and three treasurers was required [*Shekalim* 5:2]. Furthermore, the person making the withdrawal was not permitted to wear anything in which it was possible to conceal coins, e.g. a hemmed garment, pouches or sandals [*Shekalim* 3:2]. Financial expenditures for the different accounts were almost always (some say always) handled by two officers [*Shekalim* 5:2].

A separate form of control was maintained over the sale of *nesachim* (libations) to those offering private sacrifices. An individual offering an animal went to the administrator over the tokens and stated the type of sacrifice being offered. The ad-

ministrator sold him a token for the appropriate amounts of wine, oil and flour. He then took the token to the administrator over the *nesachim* and exchanged it for the required amount. At the end of each day the administrators met and reconciled the tokens and the money. If there was more money than tokens, the excess belonged to the Temple. In the event of a shortfall the administrator over the tokens had to make up the difference [*Shekalim* 5:3-4]. An individual who lost his token had to wait until the end of the day; if they found surplus funds corresponding to the value of the lost token he was given his *nesachim*. To prevent fraud, tokens were dated and were valid only on the day of issue [4].

## CONCLUSION

The Temple was not only a religious institution but also a significant financial entity. It was concerned with the proper stewardship of its funds and went to great lengths to prevent theft and embezzlement. Revenues intended for different purposes were physically segregated and earmarked, and access was carefully controlled.

## FOOTNOTES

- [1] A half-shekel is 8 grams of silver, about \$1.25 at the current price.
- [2] Donations to a specific fund were made possible by having chests marked with the type of revenue, e.g. "wood", "frankincense." There were 13 collection chests, noted on exhibit 1 by asterisks.
- [3] "Metzora" refers to a person suffering from some form of skin disease. It is sometimes translated, incorrectly, as "leper."
- [4] If the tokens were not dated it would have been possible to purchase a token and then claim it was lost. At the end of the day there would be excess funds (correspon-

# EXHIBIT 1

Revenues	Treasury Chamber	Remainder of Chamber	Surplus of Remainder of Chamber	Remainder of <i>terumah</i>	Temple Upkeep	Voluntary Burnt Offerings	Utensils	Wood	Incense	Nests	Young Pigeon	Remainder of <i>nesachim</i>
Revenues												
Poll tax*	\$	R1	R2	R1								
Old shekels*		\$										
Consecration												
-incense									K			
-animals					\$							
-wine, oil, fowl						\$						
-other												
Wood*								\$ or K				
Frankincense*									\$ or K			
Utensils							K					
Gold for Utensils*							\$					
Remainder of												
-sin offerings*						\$						
-guilt offerings*						\$						
-bird offerings*						\$						
-nazirite offerings*						\$						
-mezora guilt offerings*						\$						
Donative offerings*						\$						
Nests*										\$		
Young Pigeon Burnt offerings*											\$	
Incidental nesachim profits												\$

\* Revenue received in marked collection chests.  
 K = donation in kind R1 = first claim on excess revenue R2 = second claim on excess revenue  
 \$ = donation in shekels

Expenditures	Treasury Chamber	Remainder of Chamber	Surplus of Remainder of Chamber	Remainder of <i>terumab</i>	Temple Upkeep	Voluntary Burnt Offerings	Utensils	Wood	Incense	Nests	Young Pigeon	Remainder of <i>nesachim</i>
Communal offerings	\$											
Other necessary costs	\$											
Wood	\$							\$				
Incense	\$								\$			
Ramp		\$										
City needs		\$										
Burnt offerings - altar idle			\$	\$		\$						\$
Burnt offerings - private										\$	\$	
Sin offerings										\$		
Utensils							\$					
Temple upkeep					\$							

**EXHIBIT 2**

Nathan: Accounting and controls in the second temple ding to the unused token) and the individual would receive his *nesachim*. He would then have an undated token for later use.



## CORPORATE ACCOUNTING POLICY SEMINAR

The Academy of Accounting Historians helped to sponsor the first Corporate Accounting Policy Seminar held on October 4-6, 1990 in New Orleans. The seminar was attended by 57 academics and 26 senior financial executives. The seminar provided extensive opportunity for dialogue between academics and financial executives. The seminar created an environment in which persons teaching financial accounting and those involved in the nonpublic practice of accounting gained appreciation of the problems incurred in the application of accounting theory in a business environment.

Other sponsors of the seminar were American Express Company, AT&T, Ameritrust Corporation, Ametek, Bethlehem Steel Corporation, Chrysler Corporation, Citicorp, El Dupont de Nemours & Co., Inc., Eli Lilly & Co., EXXON Corporation, Financial Executives Institute, Georgia Pacific Company, General Motors Corporation, IBM Corporation, ITT Corporation, Johnson & Johnson, 3M, McDonnell-Douglas, Monsanto Corporation, National Association of Accountants, Pfizer, Inc., Sears, Roebuck & Co., Shell Oil Company, Tenneco Inc., The Upjohn Company, and Vulcan Materials.

## VISIONS FROM THE PAST

Book-keeping is an art of daily use in life, and of the greatest importance in all commercial transactions, both foreign and domestic. To be well acquainted with it, both in theory and practice, is a necessary qualification to every man of business, in which all persons are more or less concerned. It enables one readily, and at any time, to ascertain the exact state of his affairs; and also to make a just, precise, and equitable adjustment of all his dealings. Success in trade principally depends on a complete knowledge of the art, and in a strict conformity to its rules. Ignorance and inattention in this department, are rocks upon which thousands have split, and made shipwreck, not only of fortune, but of honesty and good conscience.

There are many branches of education whose first principles must be learnt in schools. If the foundation be not well laid in early life, it will excite sorrow in riper years. The art of book-keeping belongs to this class.

A thorough knowledge of accounts will enable one at any time, the more easily to reckon, not only with others, but with himself; it will greatly contribute to prevent some of the severest evils in life, such as vexatious lawsuits, perplexed arbitrations, loss of property, loss of friendship and good fellowship.

[Excerpts from the preface of *The American Book-keeper*, B. Shey, 1818.]