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Accounting of Commission for Relief in Belgium*

By L. D. MAPES.

The Commission for Relief in Belgium and its principal affiliated organizations are as follows:

- (1) The Commission for Relief in Belgium, for short the C. R. B.;
- (2) The Comite National de Secours et d'Alimentation, for short the Comite National (or C. N.);
- (3) The provincial committees in various parts of Belgium;
- (4) The Comite d'Alimentation du Nord de la France, for short the Comite Français (or C. F.);
- (5) The district committees in various parts of the north of France;
- (6) The Section Agricole du Comite National;
- (7) The Bureau Produits Divers (discontinued in 1916);
- (8) The Ship Owning Department, or the S. O. D.

Mr. Hoover has stated that the gigantic proportions of the problem could only find solution by systematic decentralization, both in collection and distribution.

In collecting funds or other gifts for the work, the general scheme of decentralization was extended so that the commission had relations with over 100 principal committees, and these in turn covered a field of over 2,000 sub-committees engaged in providing support to the commission's work.

In the distribution, advantage was taken of the communal system; local relief committees were organized in practically every

*A paper read before the American representatives of the Commission for Relief in Belgium, at Brussels, March 16, 1916, and since revised to October 31, 1917.

commune, and there was created over these committees a system of regional, district and provincial committees, with the Comite National at the apex, the relation of this organization to the C. R. B. being one of joint endeavor.

The interlocking of the committees is about as follows:

The communal committees are represented in the regional committees. The regional committees are represented in the provincial and district committees.

Delegates from the provincial and district committees act as working members of the Comite National and Comite Francais respectively.

Some of the members of the Comite National are members of the Comite Francais.

The C. R. B. is represented by delegates on both the Comite National and the Comite Francais.

Of the 7,000,000 inhabitants in Belgium, it has been estimated that 2,750,000 were found to be wholly or partly destitute as a result of the war and without resources with which to pay for food or clothing even if it existed in abundance. Inasmuch as the 2,300,000 inhabitants, as a whole, in the north of France are being supplied from without and not paying anything back to Brussels in return, they must also be treated in the calculations as if they, too, were all destitute, although many who are able to do so are obligating themselves in one way or another to pay at the end of the war, and a good many are paying in communal money and some in French money.

Engaged in the work here there have been about 130 regional and over 2,500 communal distributing committees, and about 1,500 relief committees in Belgium. In the north of France there have been about 70 regional and 2,100 communal distributing committees.

At the start the outside world was practically asked to take up furnishing the bread supply for the whole nation, as a matter of benevolence. Later, certain relaxations came regarding financial transactions, and the work of provisioning the population developed along commercial lines, being completely separated from the actual benevolent work, so that those who had resources were able to pay and thus help to make the general burden easier. Belgian banks and institutions have furnished very large sums for the working capital of the provisioning department.

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THE COMMISSION FOR RELIEF IN BELGIUM

The C. R. B. has offices in New York, London, Rotterdam and Brussels.

Necessarily the London office has been made the central office, as New York is too far away from the points of distribution to be effective as a center for general management.

In New York, gifts are received, funds collected, purchases made and paid for and vessels are arranged for, loaded and dispatched.

London negotiates with the English authorities, collects gifts and funds, receives remittances for Belgium, keeps accounts of the cost of the various cargoes, establishes the prices to charge Brussels for the goods and advises Rotterdam thereof, and has remitted money to New York to help pay for purchases. In view of later developments wherein the United States government is to do the financing, money will be sent from New York to London.

Rotterdam receives the vessels, arranges for the barges, attends to the unloading, reloading and also to storing of goods, charging Brussels for all the goods shipped into Belgium and the north of France at the prices established by London, and advises London office thereof.

Brussels office negotiates with the German authorities and attends to the distribution of the food supplies, but the accounts of the C. R. B. at Brussels do not deal with food supplies, but simply with the expenses of its office and its branches, the expenses of the American or other representatives, automobile expenses and things of that character.

The American or other representatives, with headquarters at Brussels, are so many agents of the C. R. B. distributed around Belgium and the north of France. They are financed by the C. R. B. of Brussels.

Their functions are:

- (a) To assist the Belgians and people of the north of France.
- (b) To correct abuses.
- (c) To carry out the guarantees.

It is well to note here that in organizing the C. R. B., the C. N. and the C. F., the plan was adopted of having practically all reports and records relating to quantities received or issued

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kept by the statistics department, as distinct from the accounts department, the latter keeping, in addition to values, such quantity records as were closely connected with and necessary to the entries on its books.

New York Office:

The principal departments dealing with accounts are:

Purchasing department,
Transportation department,
Accounting department.

A summary of the principal records is as follows:

Purchasing. Several copies of each confirmation of order are issued when purchases are made: to seller, to accounting department, to transportation department; and a copy is retained. The copies for the accounting and transportation departments are ruled on the back to admit of entries showing the progress of deliveries. The sheets are filed by commodities and contract numbers.

The purchasing department keeps a record of contracts, which is a complete record from quantity purchased and from whom down to the authorization of the payment for actual delivery, in order to see that all goods ordered are consigned, unless canceled for good reason.

Transportation. The transportation department designates routes on shipments from points of origin to f. o. b. points and beyond to destination, seeing to it that all goods delivered to the commission are shipped to Europe. It advises London by wire regarding each steamer, when ready, as it clears. It makes no reports except as to tonnage on hand.

The principal records kept by this department are:

Manifest book, by steamers.
Record book of consignments of donations.
Contract files, being yellow copies of purchase orders.
Claim register.

When the C. R. B. is notified that a consignment of purchased or gift goods has been made for shipment direct to steamer, this department records the fact on a "primary record of consignments" a copy of which is sent to the commission's shipping

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agent, who signs and returns it as receipt for the bill of lading, etc. Therewith he also returns a cargo list of actual merchandise loaded on steamer, which is used in making up the manifest book (by steamers) and the manifest, a memorandum of which is kept and filed with the steamer record.

Memorandum is kept of goods left over after steamer is full to ensure proper shipment later and against their loss.

Records of consignments of purchased goods are kept on back of the contract copies of order for this department.

Records of donated consignments are kept by committees, then shippers, car number numbers, etc., in the book for that purpose.

If case goods arrive at the commission's warehouses without notice from consignors, the warehouse representatives take them into stores, notifying the commission, which attends to the shipment in due course.

Other records are kept regarding consignments, their point of origin, etc.

Accounting. The usual books of account are kept by the accounting department including contract ledger (copies of order), voucher record, steamer record and stores record, arranged so that proper authority is had for the actual receipt of goods for which or their transportation and handling proper payments are to be made.

Summaries of invoices, showing cost of each steamer cargo, and weekly cash payments are sent to London.

Rotterdam Office.

The principal records of the Rotterdam office are kept by the statistics and accounting departments.

The statistics department deals with cargoes from their sailing date at point of departure, through their expected and actual arrival at Rotterdam, to shipment into Belgium.

This requires much detail on account of the many steamers, lighters, tugs, commodities and points of receipt for them in Belgium and north of France. Record must constantly be kept from charter parties and other data to ensure proper payment of freights, handling etc., of commodities, to see how much is on hand, how much en route, how much actually has arrived, how much has been shipped and the available balances. There must

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be record of points of receipt to note against requirements, the amount permitted to enter, the amounts actually shipped and the balance still to send.

Recording of the inspection of cargoes landing, lighters loaded, the sealing up of loaded lighters, the storage in elevators or warehouses, handling and insurance of cargoes forms a part of the work of this department.

Daily reports are made to the management, by commodities, of shipments and general situation with Belgium and north of France, and also regarding the lighters and tugs available.

Brussels and London are kept advised of steamer arrivals, of the out-turn, in quantities, from steamers, and of lighters and rail shipments from Rotterdam. Brussels and London are advised by cost sheets, in quantities and amounts, and by control sheets of commodities shipped and on hand.

The accounting department keeps cash and other records usual to any business concern. In addition, some of the most important records or reports are noted in the following paragraphs:

The commission's customs agents report on the clearance of incoming cargoes and these reports are checked against other data in the hands of the accounting department.

Ship's statements with details and summary of Rotterdam charges are made up and sent to London as soon as is advisable after landing of cargo—say, two months.

As to those cargoes which have been completely shipped (or nearly so) or disposed of, the statistics department makes up completed cargo sheets from copies of cost sheets sent to Brussels. Copies of the completed cargo sheets are sent to Brussels and London. The cost sheets are summarized and totals agreed with those of the completed cargo sheets.

All payments at Rotterdam for freights, unloading, reloading, handling, lighterage, towing, office and other expenses are reported to London office.

London Office.

The central office records are kept principally by the purchasing and shipping, statistics, commercial exchange and accounting departments.

The purchasing and shipping department attends to the chartering of almost all vessels, sending copies of American charters

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to New York and all charters to Rotterdam. Files for each ship's voyage are kept, wherein are filed the documents belonging thereto.

This department arranges all marine insurance and insurance on stocks in United Kingdom. It also passes freight and other charges for payment, and follows up overages, shortages, losses and damages on cargoes, claiming on these latter and advising the accounting department in due course.

Purchases in the United Kingdom are made and records kept of deliveries against contracts, passing bills for payment by the accounting department.

The accounting department is given a summary statement of each shipment from United Kingdom port as soon as possible after ship has cleared and invoices are received.

The statistics department receives information from all C. R. B. offices regarding merchandise at all stages—from requirements, probable and actual shipments, arrivals and stocks down to shipments into and receipts by Belgium and northern France.

These reports are mostly in quantities, using such values as are needed by this department in making up reports to the management for controlling purposes, for the prompt ascertainment of costs of commodities and for the valuation of stocks, and for the accumulated sales values of shipments by Rotterdam.

The commercial exchange department receives money for transmission to Belgium and issues sterling letters for Brussels.

The remitter fills out a request form, giving name of payee and address, etc., when seeking to transfer funds to Belgium.

The commercial exchange department hands him a receipt, notifying at the same time the London bank, the accounting department and the Comite National at Brussels, sending the latter also a slip to be returned when the payment has actually been carried out. When the latter has been received in London the remitter is notified accordingly. The C. N. keeps on file, in good order, at Brussels, the actual receipts for the money so paid out there.

London keeps numerous banking accounts in various currencies for convenience in making money transfers or payments in other countries.

The accounting department keeps the customary books of account, so arranged that the transactions of the various offices

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show separately. This department has on file all the accounts statements received from the other offices. It keeps track of all funds received up to their final disbursement.

A feature of this department is its steamer files, one or more dossiers for each steamer, in which are summarized the cost values, etc., for each voyage. The details are first entered elsewhere, in turn again summarized for the month and year, so that the costs, sale price and profit and loss are agreed or reconciled with purchase, freights and sales accounts and with gross profit for the year respectively.

London keeping its accounts in £ s d had to arrange for converting Belgian francs into sterling so as to facilitate the accounting. Therefore the rate of fcs. 25.40 has been used between Brussels and London in all the charges and credits back and forth, except in regard to the sterling letters already mentioned. Dollars have been taken at \$4.85 to the pound sterling, and florins at 12.03. When actual remittances of money occur between Rotterdam, London and New York, the current rate prevailing at that time is used.

All the accounts of the C. R. B. at New York, London, Rotterdam and Brussels are subject to audit.

THE COMITE NATIONAL.

The Comite National is very closely affiliated with the C. R. B. It is divided into two departments:

- (a) Provisioning department,
- (b) Benevolent department.

(a) The Provisioning Department:

The provisioning department is the merchandising end of the Comite National. It receives from the C. R. B., Brussels, copies of the bills of lading from Rotterdam as handed to the various skippers for the shipments by their lighters. It receives the cost sheets for the goods in numerical order from Rotterdam, and also copies of the out-turn reports of the steamers. Later on it receives the monthly completed cargo sheets in duplicate.

The cost sheets enable the Comite National to charge the goods at once to the provisional committees or to the Comite Francais, which in turn charges the district committees in the north of France. The cost sheets are entered in steamer books to form a ready basis for checking the completed cargo sheets, for

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these latter have to be certified by Brussels, and a copy is sent to London. The actual charges to purchase account on the general books for the goods and the credits to London are made from the totals of the completed cargo sheets, and those cost sheets not yet included therein at the end of any month are considered provisionally as being estimated purchases.

The C. R. B. at Brussels sends a bill of lading to the committees where the various barges are to unload and the committees pass them on to their depots. The Comite National, having also a copy, knows that the goods are shipped and sends bills for the goods so forwarded, charging provincial committees or Comite Francais and crediting sales account. Should, however, the goods go instead to stores or to mills, the billing is done only when shipment is actually made later on.

When goods are unloaded at destination, several copies of a receipt of shipment are filled out and signed by the C. R. B. representatives there or some other responsible person; copies are sent to the C. R. B., Rotterdam and Brussels, to the Comite National or Comite Francais and to the provincial or district committee. The skipper of the barge also receives a copy.

The provincial depot makes a daily stock report in quantities to the provincial committee of goods received, issued and balance on hand. Some of the provincial committees keep track of how much goes to each commune.

The provincial committee makes a white monthly stock report to the Comite National, showing in detail, as to quantities, the receipts as made up from receipts of shipment and from the bills sent by the Comite National. It also sends a gray monthly summary in quantities showing total receipts as per the white report and the totals issued to each regional depot for the period.

Each regional depot reports each month to both provincial committee and to Comite National on a green summary the quantities of goods received, issued and the balance on hand at close of month. The receipts should agree with the issues as per the gray report of the provincial committee. The districts and regions of the north of France report in the same way each month to the Comite Francais.

The representatives of the C. R. B. are responsible for seeing that the stock reports of the provincial committees and regional depots are properly made up and promptly sent in to Brussels.

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These reports are summarized and sent to the C. R. B., London and Rotterdam.

The Comite National and the Comite Francais keep stock accounts of the goods in their own stores at various points, and also of goods at the provincial and district depots. The latter are controlled by means of the reports sent to them as above stated, so that they know what is at each point.

The communal committees advise the regional depots of their requirements and the latter advise the provincial committee. The latter authorizes the provincial depot to ship to the regional depots and at the same time authorizes the regional depots to ship to the communes. In the north of France it is done in a similar manner.

The provincial committees keep ledger accounts with the regional depots, charging supplies and crediting cash. Some provinces collect before actual shipment of goods. The regional depots ship goods to the communes and keep accounts with them in much the same way as has been described. Inspectors from the provincial office visit both regional and communal depots.

In the communes, families are supplied by each commune with cards to be used once a week at the depot or store when purchasing up to a certain maximum per person in the family, entries of dates being made on the cards by the communal depots or stores at the time of purchase. The communal depots or stores keep records of their sales each day and send to the provincial committee each month a summary, in quantities and amounts, of their transactions for the period.

The people in Belgium thus pay the communes; the communes pay the regions; the latter pay the provinces; and the provinces pay the Comite National. The Comite National supplies its benevolent department with funds; these are paid out as explained above, and so the wheel goes around, depending on the C. R. B. outside of Belgium to keep on collecting funds and buying and shipping goods.

After the C. R. B. had been operating for a time it was found that there were a good many Belgians in England and elsewhere who desired to send money to their relatives in Belgium. Arrangements were made whereby they were allowed to pay in money to the London office, directly or indirectly, London advising the Comite National, Brussels, by means of sterling letters. Thus

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some of the money received by the latter, in payment for food products sold to the provincial committees, is paid out against these sterling letters. This acts, in effect, as money sent to London by Brussels and yet no money leaves Belgium. Not only has this helped somewhat to lessen the burden of the C. R. B. in collecting funds, but it has been estimated that 500,000 people provided for through these remittances, thus made available, were prevented from falling into destitution.

Milling.

All of the grain, either before or after going to the provinces or districts, has to be milled, and the milling accounts kept have been somewhat difficult.

Wheat quantities have been charged to these accounts at the wheat value, or theoretical quantities of flour have been charged at a price based on the same wheat value. After that credits of flour have been made to the account for flour coming from the mill, calculated at a unit price which would include the cost of the wheat and the compensation to the mill for its work, making a deduction also in case the mill retained and sold the by-products for its own account.

In calculating the theoretical quantities of flour going into the account and the unit price for the flour coming out, one had to take into consideration if 75%, 82% or 90% flour was to be milled. At the end of any period, after crediting inventory of stock still at the mill, disposition had to be made of the ultimate balance in the account.

Crop Adjustment:

A difficulty arose in the accounts in regard to the mixture of native and foreign wheat. The Bureau des Recoltes handles the native wheat, which is lower in price than the foreign. The Germans agree to furnish native wheat in given proportion to the foreign. The C. R. B. has to report each month to the Germans the cost of the foreign wheat, on which is based the price used by Rotterdam in billing Brussels. The Germans then calculate an average price for the mixture, at which price all the wheat must be sold.

Inasmuch as the wheat grown in one province could not be sent to another, it stands to reason that those provinces not rais-

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ing wheat would not participate in the low price of native wheat, unless the price of their foreign wheat was lowered . The actual quantities of foreign wheat sold can never exactly agree with the theoretical quantity on which the average price was based. An adjustment subject to approval by the Germans was devised as follows :

Provinces to be charged and Comite National crop adjustment account credited for the quantities of native wheat they receive at the difference between the price of native wheat and the average price; whereas

The Comite National crop adjustment account was to be charged and provinces credited for the quantities of foreign wheat they received at the difference in price between the foreign wheat and the average price.

On account of the excess, or vice versa, delivery of foreign wheat sold there will be a small profit or loss in this account each month.

The Benevolent Department.

The operations of the benevolent department are divided into ordinary and extraordinary, the broad distinction being that those of the extraordinary department are for account of the Belgian government, while those of the ordinary department include all other transactions, mostly of a charitable nature.

Food, clothing, money and shelter are provided by this department, which gets a credit from the Comite National of many million francs per month to pay for them.

Food is issued by communal committees for which money is given the provinces to buy the supplies for the soup kitchens, a large part of the food coming from the various provisioning department depots. Shelter is provided by these committees, to pay for which they also receive money.

Clothing is supplied by the clothing department, which buys new clothing, receives clothing from outside Belgium, and cleans, alters and repairs used clothing, necessary money for doing which comes out of the benevolent department funds.

Money is paid out in a variety of ways—to aid the unemployed, to relieve the families of soldiers and officers, to assist charitable institutions, to finance provinces by providing the equivalent of

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taxes which had been collected by the government and to which the provinces were entitled, so as to help them in their work, to carry on schools (this for a short time only), to lend to banking institutions in order that they may pay military requisitions given to the populace at the beginning of the war, and pay salaries of railroad employees, all of which makes up part of the general scheme of helping others to help themselves. Where possible, the money or a large part of it, eventually goes toward the purchase of food and much of it comes back through the communal, regional and provincial committees to the Comite National, provisioning department, and is again handed over to the benevolent department, and so on.

Any profits made by the C. R. B. and Comite National, etc., are to be used for benevolent purposes.

Every month statements of expenditures and a balance-sheet are made up for the benevolent department and are subject to audit.

THE PROVINCIAL COMMITTEES—BELGIUM.

There are ten provincial committees in operation in Belgium. Each of these has separate headquarters, storehouses, staffs and sets of books. Each provincial committee (except Brabant) is supported by a co-operative society, the participants in which are individuals and sometimes communes. It is understood that any profits are to be used for benevolent purposes, except a reasonable rate of interest on the money furnished, said to be about 5%.

These committees have raised outside loans to assist in their financing. They have current accounts with the Comite National, the balances of which are confirmed each month.

Prices to them are fixed by periodic agreement and should be approximately uniform, the excess freights of some provinces over others being rebated to them. The provinces charge to the communes at a small advance, and the latter are supposed to resell to the population without profit.

The resources of communal committees have been received from:

- Local charity,
- Cash subsidies from communal authorities,
- Cash subsidies from regional or provincial committees,
and from the C. R. B. representing gifts from abroad.

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Some of the provincial committees have set aside considerable sums out of profits for benevolent purposes, as shown in their accounts.

THE COMITE FRANCAIS.

The Comite Francais is a separate organization formed in order to group or centralize the north of France transactions as a whole.

The plan of its organization has been mentioned already. It has separate storehouses, a separate office staff, and a separate set of books, etc., and is charged by the Comite National for all stuffs sent to it or to its districts in the north of France. The Comite Francais itself invoices to the districts.

It receives stock reports in quantities from the districts and regions and controls them in practically the same way as the Comite National controls its committees.

Up to September 1, 1915, the Comite National had been charging goods to the Comite Francais at a slight profit, the same as to the provincial committees, but it was decided that all such profits should be rebated to the Comite Francais and this was done, the Comite Francais in turn distributing the bulk of the rebate to the district committees since.

The Comite Francais draws off a trial balance from its books each month, from which periodically a balance-sheet and profit and loss account are made up and subjected to audit.

THE DISTRICT COMMITTEES—NORTH OF FRANCE.

The ten district committees or sub-committees are organized in much the same way as the provincial committees, except that actual financing cannot be done, and therefore there has been a more or less wholesale scheme of obligations all around, promising to pay shortly after the close of the war.

Owing to the state of affairs, naturally, there is great restriction in regard to moving about the country on the part of individuals, which makes business transactions much more difficult than in Belgium.

The district committees have separate accounts, the current account balance with the Comite Francais being confirmed at the end of each month.

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THE SECTION AGRICOLE DU COMITE NATIONAL.

The Section Agricole is a consulting and administrative body to the various agricultural sections of the provincial committees, which aid farmers, obtaining the funds therefor from the benevolent department of the Comite National.

THE BUREAU PRODUITS DIVERS.

The Bureau Produits Divers was organized to take up the work of importing goods outside the regular staple lines of the C. R. B. and Comite National. It was allowed to import up to frs. 1,250,000 worth per month.

It was financed by the Comite National. The provincial committees sent covering cheques with their orders for goods. It had a small separate working staff and a separate set of books, reporting to the Comite National. It is now discontinued.

THE SHIP OWNING DEPARTMENT.

The ship owning department, sanctioned by the C. R. B., was started for the purpose of owning and operating barges and tugs in the interest of the C. R. B. It is under the control of the Antwerp committee but financed by the Comite National. It will have assets and liabilities on its books and an operating account, the income being derived from a moderate rate to be charged to the Comite National for lightering and towage, the expenses incidental thereto being charged against the income. All profits or losses are to be for the account of the Comite National.

GENERAL.

In the final accounting the leading committees will have to render statements which will clearly show what funds have to be accounted for and what disposition has been made of them.

The C. R. B. should show the money and money values received, plus profit made, against which should be shown merchandise, etc., supplied to the Comite National, less any benevolent expenditure made for account of the C. R. B., together with any assets still on hand, such as stock, cash, debtors, etc., less creditors if any.

The Comite National should show the amount of merchandise and cash received from the C. R. B., plus profit made, against which should be benevolent expenditure, merchandise and cash

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supplied to the Comite Francais and also any assets such as stock, cash, sacks, provincial committees and other debtors, less creditors, etc.

The Comite Francais should show merchandise and cash received from the Comite National for account of the C. R. B., plus clothing values or rebates received and profits made. Against this should be shown the amounts owing by district committees or others, amounts donated to various committees, plus cash or evidences of indebtedness, stocks and sundry debtors, less creditors.