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**Awareness to Accounting and Role of Accounting at
Religious Organisations. The Case of Brotherhoods of Seville at
the last Decade of 16th Century**

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***AWARENESS TO ACCOUNTING AND ROLE OF ACCOUNTING
AT RELIGIOUS ORGANISATIONS. THE CASE OF BROTHERHOODS
OF SEVILLE AT THE LAST DECADE OF 16TH CENTURY***

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Abstract

This work questions if religious organizations with common shared beliefs and sacred objectives, but which members had a different level of awareness to accounting, should show a different behaviour concerning: a) the status of accounting in their internal organisations; and b) the permeability of such organizations to new accounting techniques. To reach our aim, we have analysed the content of 6 rules of brotherhoods located in the city of Seville (Spain), and enacted at the last decade of the 16th century. We have split the brotherhoods depending on its link or not with a guild or professional group. We can conclude that the awareness to accounting of its members and the perception of the belief system are explanations to cover the dissimilar behaviour of the brotherhoods in relation to accounting.

Keywords: Accounting History, Religious Organizations, 16th century, Belief System

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1. Introduction

Accounting research on religious organizations has increased, overall, in the last decade. The seminal works of Laughlin (1988) and Booth (1993) improved a distinction of two separate spheres, sacred and profane, belonging accounting to this last. Since then, different studies have found limitations to such assertions, questioning such distinction between sacred and profane, due to different reasons, main of which converge on the complexity of religious organizations (Lightbody, 2000; Parker, 2001).

In this way, several authors such as Duncan et al. (1999), Irvine (2005), or Cordery (2006) have pointed out the role of the beliefs system of each community on the status of accounting at religious organizations. As McPhail et al. (2005) explain, different settings with dissimilar belief systems will focus in a changed way on the role played by accounting at their sacred/profane agendas. So, departing from "...the potential conflict between the "sacred" mission of a church and the "secular" practice of accounting..." (Irvine, 2005, p. 233), this work questions if religious organizations with common shared beliefs and sacred objectives, but which members had a diverse level of awareness to accounting, should show a different behaviour concerning: a) the status of accounting in their internal organisations; and b) the permeability of such organizations to new accounting techniques.

For this aim we analyse the content of the rules of brotherhoods located in the city of Seville (Spain), and promulgated at the second half of the 16th century. The brotherhoods, settled by lay people, created to conduct charitable activities and to improve worship, played also a social role. They gave, and currently give, their members the opportunity to interact socially, improve the use of their leisure time and, through holding appointment in these organizations, becoming prominent in their community (Sánchez, 1985). Given such features, brotherhoods seem to be appropriate for the aim of this study, stating that lay people were their members and, thus, more related to the non sacred parcel of life, than in other religious organizations, such as monasteries (Quattrone, 2004; Maté et al., 2006).

Considering how the context influences on the role of accounting at religious organizations (Quattrone, 2004), we have selected this period due to the emergence at Spain of a growing interest on accounting and accounting procedures at private and public sectors, with many books and rules on this issue (Hernández, 1992). Also, at this time, some of the brotherhoods were controlled by closed craft groups called guilds, which, we contend, influenced on the accounting procedures at the brotherhoods.

The setting of Seville is vindicated on the improvement of guilds, businessmen and merchants there, due to the monopoly of the commerce in those days with the Spanish American colonies. Besides, that meant the coming and setting of different merchants and businessmen from the rest of Spain and abroad, improving the knowledge on business, and henceforth accounting, at the city, more than at other places (Donoso, 1996, 2001).

This work aims to contribute to literature by explaining how permeability between the sacred and profane spheres is mediated by the accounting awareness of the members of the religious organizations. Similarly to the case studied by Lightbody (2003), managers

with accounting awareness and experience acquired in non-religious organisations tended to blur the boundaries between sacred and profane spheres (see also Swanson and Gardner, 1988). Going beyond this, and in accordance with Irvine (2005), accounting procedures were generalised in those brotherhoods linked to guilds due to the professional awareness of their members (Parker, 2001).

For this work, we study the rules of the brotherhoods approved in the city of Seville in the last decade of 16th century. Rules are available in a compilation of brotherhoods rules published by Sánchez and Pérez (2002). In order to verify and complete our analysis, we have resorted also to secondary sources on brotherhoods, accounting regulation and accounting knowledge.

The rest of the paper is as follows. In the next section, we describe the state of the art on the debate sacred/profane in relation to the role of accounting. The third section explains the methodological issues of the paper. Following, we describe the analyzed case and the final section contains the discussion, the concluding remarks, the limitations and extensions of this work.

2. Accounting literature on religion.

Accounting literature on religious organizations has improved in the last years. The seminal works of Laughlin (1988) and Booth (1993) defined a distinction of two separate spheres, sacred and profane, belonging accounting to this last based on the belief system of the organization. Specifically, Laughlin (1988) established that accounting controls should play a significant role in those cases where sacred controls may fail or in those arenas where religious organizations should be obliged to account for their resources. Booth (1993) similarly assigned accounting to the profane. Actions are legitimated by sacred

beliefs whose transcendental nature “...potentially provides a strong basis of resistance to secular management practices, such as accounting...” (Booth, 1993, p.53).

However, this dichotomy “...has been seriously questioned and challenged...” (Carmona and Ezzamel, 2006; see also McPhail et al., 2005). The complexity of religious organizations has been a main reason to support such challenge (Lightbody, 2000; Parker, 2001). Such complexity may be informed by the setting analysed. In this way, it could embrace different perspectives about accounting. As Laughlin (1988) and Booth (1993) resorted to a specific setting, Jacobs pointed out: “...in other settings accounting has the potential to be sacred, to be secular or to be both sacred and secular...” (2005, P. 193). Such other settings can enrol different perceptions of accounting and its role on the religious organization due to the belief system that constitute such settings (i.e., Fonfeder et al., 2003 for the Talmud; Álvarez-Dardet et al., 2006 for the brotherhoods at Spain at the 18th century; Jacobs and Walker, 2004 for the Iona Community at Scotland at the 20th century; or Ezzamel, 2005 for the funerary practices at the Ancient Egypt).

Irvine (2002) arrived at the same conclusions on her study over the Salvation Army at England at the 19th century. As she pointed out, the “...response of members of a religious organization to accounting will therefore have something to do with that organization’s historic belief system and culture, and its openness to embracing “secular” practices...” (Irvine, 2002, p. 5). Accounting, thus, could be understood as a main tool for the management of the sacred, showing little conflict between the sacred and the secular spheres of the religious organization. In the same way, Cordery (2006) considered the belief system as a reason to explain the relationships of accounting and religious organizations. Her study on the Methodist missionaries concluded that the belief system of this group held no contradiction between the spiritual mission and stewardship (Cordery,

2006). This is coherent with the results of Kreander et al. (2004) and Jacobs (2005) as well as with those of Fonfeder et al., (2003), on how the Talmud considered that the life should be an integral process of accountability, leading, thus, accounting as a main tool for the religious side of life.

On the analysis of the accounting procedures at the Society of Jesus, Quattrone (2004) asserted that accounting procedures were improved at the Jesuits due to the new values impressed at the doctrine of the Catholic religion by the Counter-Reformation, and more specifically, by the Council of Trent. Such doctrine was the result of theological, religious, political, social and institutional dimensions (Quattrone, 2004; see also Carmona and Ezzamel, 2006). Beyond the belief system, Quattrone (2004) widened the reasons to question the role played by accounting in the sacred/profane dichotomy.

In the same way, Duncan et al. (1999) analysed the variables that influence the development of internal accounting controls at 317 churches in the US. Their results "... suggest that church size (one measure of church resources) as well denominational affiliation (and church polity) impact the quality of systems of internal control in local churches..." (Duncan et al., 1999, p. 160). The polity of the Church must be understood on the aims pursued by such religion organization. Therefore, the religious values can appreciate accounting and should mould accounting procedures at the religious settings for their aims and perceptions (Jacobs, 2005; Jayasinghe and Soobaroyen, 2009).

The perception of the sacred/profane through the lenses of the belief system of the religious organization can shape the role of accounting, independently of the belief system. This assumption led to Álvarez-Dardet et al., (2006) to analyse the behaviour of the brotherhoods faced to the control process implemented by the enlightened government of Carlos III at Spain. They concluded that the "...brotherhoods' view on the rendering of

accounts depended on their perceptions of the boundaries between the sacred and the profane, but they all shared a common perception that they need not justify their sacred expenses...” (Álvarez-Dardet et al., 2006, p. 146).

Beyond the belief system the size or contextual influences, organizations with different belief systems, but with a similar perception of sacred and profane, are reasons to understand what it is sacred or profane. Accounting, so, was differently perceived, and therefore, considered. Then, it can not be asserted definitely that accounting will always play a role on a religious organization depending on the belief system, but on the perception of its members with respect to accounting.

Therefore, other issues, apart from the belief system, can be used as explanation for the role of accounting at religious organizations. In this sense, we can mention the results obtained by Swanson and Gardner (1988) on their study of the Society for Propagating the Gospel in Foreign Parts at the beginning of the 18th century. As the authors remarked, the “...immediate impetus for auditing in the Society came from business and not from government... Rudimentary managerial accounting procedures emerged in the Society as a result of internal needs for planning and control in much the same way they were emerging in businesses of the period...” (Swanson and Gardner, 1988, p. 446). The reasons for this massive use of accounting can be found on the members of the Society. Many of them came from the business and auditing professional world. Therefore, Swanson and Gardner recognised that the origins of the members “...suggest that the Society’s audit procedures were adapted from business audit procedures...” (1988, p. 444).

Accounting can, thus, affect to the religious organizations. As Irvine (2005) explains, “...There appeared to be no automatic assumption that money and accounting were somehow inconsistent with core religious beliefs... In addition to this, because the

church was responsible for providing its own resources, resistance to accounting in principal was minimal...” (Irvine, 2005, p. 233). So, the responsibility for their own resources, led the religious organizations to consider accounting as a main issue at their management (Irvine, 2005). Moreover, the absence of professional accountants at religious organizations is a reason to understand that the whole members of a religious organization can use and perform accounting tasks for developing their agendas (Irvine, 2005). In the same vein, for Lightbody (2003) the relationships between the sacred and the profane spheres can be explained, partly, because of the role played by financial managers and professional accountants at religious organizations. The results of this study show that “...none of the authors denied the need for some integration of the conflicting ideologies at the level of the individual manager to enable the organisation to function effectively...” (Lightbody, 2003, p. 135).

Bearing in mind such reflections, it seems that other variables apart from the belief system could influence on the role played by accounting at religious organizations. Thus, we wonder if, leaving aside the belief system, the context, the size or the awareness to accounting techniques could be other explanations for the role played by accounting in religious organizations.

3. Brotherhoods at their context.

Brotherhoods are the most ancient secular institutions in the Catholic Church. They are religious organizations formed by lay people and dedicated mainly to improve the public worship and to charitable objectives. Brotherhoods, as currently conceived, appeared during 14th and 15th centuries. In addition to their religious and charitable objectives, the brotherhoods played a social role. They gave, and currently give, to their members the

opportunity to meet socially improve the use of their leisure time and, through holding appointment in these organizations, become prominent in their community (Sánchez, 1985).

The period of study can be reasoned in two ways. On one hand, the support of the Council of Trent (1545-1563) to the emergence, rule and development of the brotherhoods is expected to be considered. The doctrine of Council of Trent on the public penance and the worship to the images supposed an impulse wing for creation and reform of brotherhoods. Thus, the brotherhoods played an important role in the Catholic Counter Reformation as a way to indoctrinate the population. In order to regulate the untidy growth of brotherhoods, the Council of Trent disposed also that their rules should be approved by the bishops as a *sine qua non* requirement for the *official* foundation of a brotherhood (Sánchez, 1985). This supposed that the clergy could take accounts of the brotherhoods, being these to be audited. Moreover, given the uncontrolled increase of brotherhoods together with the every festive felt greater time of the public worship (luxury, music,...), the regulations of the Council of Trent were developed in local councils. There was also a call to verify that the administrative positions at the brotherhoods were occupied by people of unblemished conduct who had experience in management (Arias de Saavedra and López de Guadalupe, 2002).

On the other hand, 16th century supposed the uprising of publications of accounting books and innovations in the regulations of the matter in Spain. Following Napier (1989), the treatises on accounting published and the regulations promulgated in a period could be used in order to know the dissemination and evolution of accounting knowledge at businesses at such period. In this way, we have selected the period 1590-1600, after: i) the enactment of the *Pragmática de Cigales* in 1552 (Royal Order of Cigales, originally

promulgated in 1549) which led the merchants and bankers to keep their accounts using the double entry bookkeeping system, and ii) the publication of third edition of “Accounts Treatise” in 1551 by Diego del Castillo as well as the “Extreme practical Arithmetic and of all merchandises with the order of accountants” in 1546 by Gaspar de Texeda; “Compendium and brief instruction to have books of accounts, debts and of merchandises” by Antich Rocha in 1565, and the “Manual Cash book and of accounts of merchants and other people” by Bartolomé de Solórzano in 1590 (Hernández, 1992).

The choice of Seville has also a twofold justification. On one hand, brotherhoods were (and currently are) deeply rooted in the cultural tradition of the city. For instance, according to the census made in 18th century, 249 brotherhoods existed in the city of Sevilla (Álvarez-Dardet et al., 2006). Besides, 22 Seville brotherhoods founded in 16th century have survived until today. On the other hand, Seville had an important economic development linked to the monopoly of the commerce in those days with the American colonies. Thus, Seville became the most populous city of Spain (Reglá and Cespedes, 1974) with a high number of traders and craftsmen who were grouped in guilds. The increase of guilds, businessmen and merchants at Seville was influenced by the coming and setting of different merchants and businessmen from the rest of Spain and abroad. That meant also the improvement of accounting knowledge at the city more than at other places (Donoso, 1996, 2001). Consequently, the context that surrounded the foundation of the brotherhoods at the 16th century could embrace accounting as a key element at their management in the same way in which Bowrin (2004) has pointed out in the case of religious organizations in Trinidad and Tobago (see also Quattrone, 2004).

From their origins, guilds used to found brotherhoods with religious and charitable objectives. During 14th and 15th centuries, brotherhoods and guilds were frequently

comprised in a single institution. However, due to the damages that such coalition could engage, the model of guild-brotherhood was supposed to be removed by a decree of King Charles I dated 1552. Thus, at 16th century brotherhoods should be separated from the guilds focusing more in their religious and charitable objectives (Romeu, 1981).

Notwithstanding this regulation, this link survived. In fact, during the reform of brotherhoods of the second half of 18th century, the guild-brotherhood model still existed and was again removed by a law approved by the government on the 25 June 1783 (Álvarez-Dardet et al., 2006). Until then, in some cases, the link was explicit because the regulations of brotherhoods forbade the entrance of members not belonging to the profession. In other cases, the relationship was maintained simply because the tradition of membership to a brotherhood was limited to those that worked at the same profession. Another issue that contributed to the maintenance of the relation between a specific profession and a brotherhood was their location inside the city. Traders and craftsmen dedicated to the same profession used to live in the same neighbourhood and, therefore, attend to same parish or convent. In a similar vein, most of the members of a brotherhood used to live in the same geographical area (Reglá and Cespedes, 1974).

Thus, the relation between a brotherhood and a particular professional group survived to the legal restrictions and, although as separate organisations, silversmiths, hat makers, chauffeurs, notaries, among other professional groups, founded their particular brotherhoods. Even during 20th century the catering trade guild of Seville founded a brotherhood (Carrero, 1984).

We have based our study on the rules of the brotherhoods as primary source. Previous works on accounting in religious organizations have studied also internal regulations as for example, Irvine (2002) at her work on the Salvation Army, Quattrone

(2004) in his paper on the *Societa di Jesu*, or Maté et al. (2006) in their work on the Benedictine monks of the Monastery of Silos (Spain). Rules of brotherhoods are the equivalent regulation to the constitutions of a religious order, given that they include the compulsory procedures that confreres self-impose and the fulfilment of the rules is considered as a sacred obligation for the confrere.

The total availability of brotherhoods rules that emerged during the last decade of 16th century was 7. We have removed one brotherhood devoted to the Holly Sacrament in order to exclude the effect of the particular interpretation of the belief system of the sacred sphere that this kind of brotherhoods considered (Álvarez-Dardet et al., 2006). Thus, we analyse the remaining 6 rules devoted mainly to worship to images approved in the city of Seville during the chosen period. Three of them were linked to a guild or professional group and the remaining three had not these links.

We have analysed the content of the rules looking for any reference to knowledge of accounting technique as well as to its level of implementation. In this sense, we have grouped the brotherhoods and have compared the results obtained in the group of brotherhoods linked to a guild/professional group and in the remaining brotherhoods (see table).

4. Accounting and management at the brotherhoods.

From the analysis of the available brotherhood rules approved in the city of Seville during the last decade of 16th century, some common accounting and management mechanisms and techniques used by the brotherhoods can be extracted.

Regarding to their economic support, it is remarkable that the income of the brotherhoods usually was coming only from the alms and fees of their members, though

some of them also possessed some real estate or financial asset that provided incomes to the organization. On the other hand, brotherhoods spent their money mainly in worship (candles, flowers, music for the celebrations, fees for priests...) and charities, being also common, the payment of the poor confreres' funerals. In spite of that, brotherhoods were frequently blamed to spend money in social meetings not directly related to their sacred aims (Álvarez-Dardet et al., 2006).

For the management of the brotherhoods, most of the rules disposed the election of a staff, usually for a year. The number and the appointment of people for such staff differed from one brotherhood to another. But, at the most brotherhoods, the *Alcalde* or *Hermano Mayor* (Main chief of the brotherhood) was the head of the brotherhood. In the same vein, the *Mayordomo* (manager) or *Prioste* (assistant to manager) dealt with the operations management at the brotherhood. Not always the *Prioste* was just an assistant to the *Mayordomo*, but in other cases he was appointed for specific tasks. We have also found rules where a main responsible for the management of the assets of the brotherhoods was appointed, different to the *Mayordomo* or the *Prioste*. At some cases, the *Mayordomo* could pay and collect on behalf of the brotherhood, and his task was controlled later through accountability processes. In other cases, all the payments should be signed previously by the Main Chief, making, thus, an *a priori* control.

Frequently, the staff which managed the resources of the brotherhood must render accounts at the finish of their term of office. By and large, they used the charge and discharge method. Generally, the account should be presented at the election process of the new staff, or in a fixed date from such election. It is hard to find cases in which the accountability was made to the Brothers Meeting. The accounts were presented usually only from the old staff to the new one. In other cases, the brotherhood appointed some

brothers that, together with the new staff, attended at the meeting for the render of accounts. Finally some rules disposed that the Brothers Meeting should discuss the doubts that could surface on the submitted accounts. It is not easy to find from the studied rules the tasks of the post of *Contador* (accountant).

At most of cases, that appointed to make payments should present the receipts of such payments to the staff, but some rules go further on their use of techniques, disposing that this requirement could operate only for those payments up to a certain amount, setting up, thus, a threshold.

In a similar way to other Spanish organizations at the same period, the new accounting vocabulary was appearing in the rules of the brotherhoods. In this sense, terms like *debe y haber* (credit and debit) progressively replaced the previously used *cargo y descargo* or *cargo y data* (charge and discharge). In the same way terms as *libranza* (receipt), *asentar* (enter) or *carta de pago* (bill of exchange) started to appear.

There was a wide range of dispositions at the rules in relation to the management of the inventories of goods and money. On one side, it can be found rules that did not consider it at all, whereas others established that the *Mayordomo* should be made responsible for the goods and money reflected at an Inventory Book.

Considering the increase of ecclesiastic control promoted by the Council of Trent, a *Provisor* (an evaluator) from the Archbishopric analysed the rules to be approved. He introduced always a last duty: “the brothers now and in the future must do whatever the *Provisor* orders and they must account for the goods and rents and their distribution and spending”. At the six cases analysed, the *Provisor* forbade the brotherhood to ask for alms without his authorization.

Following the previous assertions, we have identified a list of features whose presence in the brotherhoods rules we consider evidence of permeability to professional accounting techniques. The issues are:

- The use (or not) of “accounting books” for the registration and control of the resources of the brotherhood.
- The presence of avant-garde professional accounting terms and jargon similar to that used by businessmen, as for example, the term *alcanzada* or *debe/haber* (credit and debit)
- The use of “Inventories”.
- The use, or not, of a threshold for the control of the receipts for the expenditures of the brotherhoods.
- The regulation of the process or rendering of accounts. It is especially important for our study, if accounts were rendered or presented in the Brothers Meeting. That is, if the accounts were (or not) available for the rest of confreres.
- The post of “Accountant/Auditor”, for the control over the bookkeeping. Following Lightbody (2003) and Irvine (2005), religious organizations whose members had a high level of awareness to accounting are supposed to not need the presence of an “Accountant/Auditor”.

We have analysed the different rules, distinguishing between brotherhood linked to guilds or not, looking for the presence or not of these features.

5. Description of the data.

5.1. Brotherhoods linked to guilds.

The chosen brotherhoods are: *Hermandad y Cofradía del señor Santiago apóstol* (*Santiago*, here and after); the *Hermandad y Cofradía del Buen Fin* (*Buen Fin*, here and after) and the *Hermandad and Cofradía del Buen Viaje* (*Buen Viaje*, here and after). The two first were founded in 1593 and the last one in 1596. Consequently, the context that surrounded these brotherhoods should not be, to a certain extent, dissimilar.

Interestingly, the board of the brotherhoods is described in a different way at the rules. Thus, the *Santiago* brotherhood did not specify the posts of the board and disposed through the chapters the different tasks of the posts. These were: one Head Chief, one assistant to managers and three managers. However, the *Buen Fin* brotherhood described in a chapter all the members of the board: "...We order that, since now and forever, there will be at our Brotherhood two Heads Chiefs, one *escribano* (scribe), one manager, one assistant and one attorney..." (*Buen Fin* brotherhood, chapter 5), explaining at the chapter 6 the duties of the manager and scribes. The *Buen Viaje* brotherhood also described the posts at one chapter: "...there will be elected two Heads Chiefs, one manager, one assistant... and one scribe..." (*Buen Viaje* brotherhood, chapter first). Then, at the paragraphs seventh to eleventh, the rule described the tasks, responsibilities and authority of each of the members of the board. It also disposed a hierarchy on the board, with the Head Chiefs at the top (*Buen Viaje* brotherhood, chapter seventh). Finally, it disposed the post of the *limosnero* (collector of alms). Thus, this is the most complete rule on the description of the managers of the brotherhood.

Regarding to the use of accounting books at this group of brotherhoods, it should be usual to find this matter at their rules, if we bear in mind the relationship that their members should have (because of their profession) with accounting. In this way, the *Santiago* brotherhood used a book for the control of the alms, the main resource of the

organization: "... a book where should be written down by different names, those amounts received by the manager, registering month and year, and from the amounts given the name of those who asked for them and the discharge of all the amounts taken off and spent..." (*Santiago* brotherhood, chapter V). It also disposed that, for those members of the board that supported to poor members of the guild, they should have a receipt signed by the person assisted to be reimbursed by the brotherhood. The same procedure was established for those members of the board that supported the money for the funeral of those died confreres.

However, the other two brotherhoods rules offered less information on this point. The *Buen Fin* brotherhood had not a book for the registration of the alms, but instead, it had books on the entered and died brothers; on the minutes of the annual meetings and on the punishments to those brothers that did not fulfil the rule. The *Buen Viaje* brotherhood rule said: "... and everything will be entered in the book of the agreements and (the manager) will sign it, making him to give account and reason..." (*Buen Viaje* brotherhood, chapter eighth). It also disposed that the collector of alms should run a book with the revenues and expenditures.

The use of the inventories is settled down at the rules of the *Buen Viaje* brotherhood and on that of the *Buen Fin*. Such inventories were used as a representation of the delivery of the goods of the brotherhood from the old to the new manager. Interestingly, and considering the worry of the *Santiago* brotherhood with the control of the resources it did not dispose anything on this issue.

Regarding to the use of modern accounting terms and accounting jargon used at the rules, it could be considered as prolific such use at the rules, and, so, it is easy to find the terms charge and discharge and receipt (at the *Santiago* and *Buen Viaje* brotherhoods, yet

not at *Buen Fin*). Also expenses or bills of exchange (only at the *Santiago* brotherhood) or enter (only at *Buen Fin*). Interestingly, the most concerned with the use of these terms was the *Santiago* brotherhood, being the second the *Buen Viaje*, and the last one, with only one term, the *Buen Fin* brotherhood.

The use of a threshold of incomes or expenses should be a matter for these brotherhoods, since it could be labelled as a modern mechanism at the trading, while, as logical, the length and reasons were different. Thus, while the *Santiago* brotherhood rule did not allow for spending a coin “... without the licence of our board...” (*Santiago* brotherhood, chapter VI), the *Buen Fin* rule established the limit on eight reales (*Buen Fin* brotherhood, chapter 12) and the *Buen Viaje* settled: “... we order that our manager must, when he paid an amount of 200 maravedíes (5’88 reales) or up... to receive a receipt...” (*Buen Viaje* brotherhood, chapter 25). Thus, again, the *Santiago* rule, which seems to be more concerned with the control of the resources, tends to establish harder controls than the other two brotherhoods rules.

The process of render of accounts is also different at the three brotherhoods. Thus, the *Santiago* brotherhood rule established that: “...we order that the new members of the board will meet with those outgoing members to take and receive the accounts of the money that the Brotherhood should have, and so it can be extracted the expenses and discharge done. And once this has been done, (the accounts) will be disclosed... and being considered as good and faithful, the Brothers Meeting will consider them as good, and so the confreres will know how is collected and expended...” (*Santiago* brotherhood, chapter XVII).

However, the rule of the *Buen Viaje* brotherhood explained in a different manner this process, only for the members of the board: “... and they must assist to receive the

accounts of our manager, to be sanctioned if they are according to our Rule. And once they were sanctioned, they should be signed by the scribe and the rest of the members of the board at the end of such accounts...” (*Buen Viaje* brotherhood, chapter 28). But it can be extracted from the rule that the accountability was made from the manager to a group of brothers elected by the Brothers Meeting for such process (*Buen Viaje* brotherhood, chapter 28). The manager should have to pay for any asset loss or amount loss (*Buen Viaje* brotherhood, chapter 8). Interestingly, also the collector of alms should render accounts “...the first Sunday of each month... and in Lent he must render accounts every Sunday...” (*Buen Viaje* brotherhood, chapter 18).

In the end, the *Buen Fin* brotherhood is concerned with the scheduling of a date in which the manager would account for the and expenses, not being specified to whom should be made this process, but making him responsible for any loss, as in the case of the *Buen Viaje* brotherhood. In the same way, it is remarkable that the manager should render the accounts under oath, and without this document, the account should not be considered (*Buen Fin* brotherhood, chapter 12). In the end, the *Santiago* brotherhood expressed more concern with the control of the resources of the organization.

Finally, it should be interesting to point out that any of these brotherhoods did not need an accountant or auditor. Looking at the rules of the considered brotherhoods, there was not any reference to these posts.

5.2. Brotherhoods not linked to guilds.

As it has been stated previously, the brotherhoods not linked to guilds were three: *Hermanidad y Cofradía de Nuestra Señora de la Esperanza* (*Esperanza*, here and after); the *Hermanidad y Cofradía de Nuestra Señora de Cuatrovitas* (*Cuatrovitas*, here and after) and

the *Hermandad y Cofradía de los Sagrados Clavos de Nuestro Redentor Jesucristo, Virgen María de los Remedios y Glorioso San Juan Evangelista* (*Sagrados Clavos*, here and after). The behaviour that can be extracted from these rules should be different from those of the brotherhoods linked to guilds. Interestingly, the three brotherhoods were founded in 1595, being, thus, the context that surrounded their establishment quite close.

The organizational scheme of the brotherhoods is described in a different manner; that is, the *Esperanza* brotherhood explained in just a paragraph the three main posts. The assistant to manager, which is described as “...a brother that should be in such a way that could manage the Brotherhood, its properties and goods in favour of the Brotherhood...” (*Esperanza* Brotherhood rules, chapter 2). In the same way, the manager and the scribe should be chosen from the rest of brothers, but they were not described at the rules “...and all the brothers would obey them...” (*Esperanza* Brotherhood rules, chapter 2). Surprisingly, the *Esperanza* rule did not establish the post of Main Chief. The *Cuatrovitas* brotherhood did not explain the roles of the different posts, but named them: “...Main chief, one assistant and one manager and two accountants and a scribe...” (*Cuatrovitas* brotherhood, chapter 2). Finally, the *Sagrados Clavos* brotherhood was the most detailed rule on the posts; at the chapter XX explained the reasons to select or reject someone proposed to be a member of the board of the brotherhood. In the same way, the same chapter described the different posts: “... two Main Chiefs, and an attorney, and a manager, and an assistant, and a scribe... and a scribe for the punishments...” (*Sagrados Clavos* brotherhood, chapter XX). The chapter XXI disposed the role played by the Main chief, the chapter XXII was devoted to the attorney post. The chapter XXIII was concerned with the tasks of assistant and the manager, and the chapter XXIV was concerned with the scribes.

The use of accounting books for the management of these brotherhoods could be considered as scarce. In this sense, the *Esperanza* brotherhood included at the chapter 3, three books: One devoted to the register the names of the confreres; another one on the punishments to the brothers and finally another one “...in which would be entered the alms given to our Brotherhood with the names of the donors, the day, month and year...” (*Esperanza* brotherhood, chapter 3). The *Cuatrovititas* brotherhood also had to manage an alms book: “...the scribe and the managers must run a book where to write and enter such cash of each month and who paid...” (*Cuatrovititas* brotherhood, chapter VIII). Finally, the *Sagrados Clavos* rule only expressed the need to manage a book on the entries of the brotherhood that should be the responsibility of the manager and assistant (*Sagrados Clavos* brotherhood, chapter XXVIII).

Regarding to the use of accounting terminology, could be considered as completely excluded from the rules of these three brotherhoods. In fact, at the *Esperanza* rule we have found, in one moment, the use of the term *asentar*, that is, enter at a book. In the same way, the *Sagrados Clavos* rule used only two times the terms *asentar* and *alcance*, or debt, at the rule. In this sense, the rule explained the way to manage the debts of the managers with the brotherhoods: “... if the manager has to pay, he should be notified and then we would demand the money in which he was in debt...” (*Sagrados Clavos* brotherhood, chapter XXVIII). Finally, the *Cuatrovititas* brotherhood seemed not to use none of the accounting terminology or the jargon of the merchants and craftsmen. At the rules of these three brotherhoods we have not found anything relating to the use of a threshold for the payments, nor the use of inventories.

The accountability process at the brotherhoods analysed is different among them. The *Esperanza* brotherhood rule was unclear, given that disposed: “... at such Brothers

Meeting it would be... analysed the Brotherhoods' books..." (*Esperanza* brotherhood, chapter XIV). We cannot extract clearly the way in which this brotherhood managed the accountability process. We should expect, at most, that the books should be read for the rest of brothers at the meeting. For the case of the *Cuatrovitas* brotherhood rule, it is said: "...the third Brothers Meeting would be done the first Sunday at March to notify the account taken to the manager..." (*Cuatrovitas* brotherhood, chapter II), which is clearly an accountability process to the rest of brothers. Finally, the *Sagrados Clavos* brotherhood only expressed the need to present the accounts from the outgoing manager and assistant to the new two appointed people, and such rendering should be done in the presence of some brothers appointed for this process.

Finally, and regarding the post of accountant or auditor at the rules, we have found only the case of the *Cuatrovitas* brotherhood, which, as it was said, previously, described that two accountants were in charge of managing the books, having not responsibility on the use of the resources of the brotherhoods (*Cuatrovitas* brotherhood, chapter 2). Moreover, they did not receive any amount for this work.

6. Analysis and concluding remarks

This study questions if religious organizations with common shared beliefs and sacred objectives, but which members had a different level of awareness to accounting, should show a different behaviour concerning: a) the status of accounting in their internal organisations; and b) the permeability of such organizations to new accounting techniques.

For this reason, we have analysed the accounting content of the rules of brotherhoods located in the city of Seville (Spain), and promulgated at the last decade of 16th century. Interestingly, we do not focus on a single case, but in a group of religious

organisations which shared aims but differed in how to reach them (Parker, 2001). We have selected 6 rules of the brotherhoods that emerged in the period of study, three linked to guilds and the same number for those not linked to guilds.

The growing literature has showed that the belief system can explain why and how accounting is more or less concerned with the sacred issues of religious organizations (Irvine, 2002; Fonfeder et al., 2003; Kreander et al., 2004; Jacobs, 2005; Cordery, 2006;). However, and based on McPhail et al. (2005) due to the diversity of religious organizations, this debate is not finished, and so, interestingly, other reasons could emerge to explain such differences on the role of accounting at the sacred life, as the relationships of the members of the religious organization to professional bodies linked to finance or accounting, or the dependence, to survive, on the resources obtained by the organization (Irvine, 2005).

Brotherhoods have emerged as a singular kind of religious organization, given that they were formed by lay people that devoted their spiritual (and, partly, real) life to the cult of different saints, Jesus Christ or the Virgin Mary. By the same way, brotherhoods received many influences from the context that surrounded them specially, guilds. Those links could be used to explain the accounting procedures used at the brotherhoods.

The brotherhood of *Santiago* rule reflects a high concern with the accounting control which cannot be found at the rest of linked to guilds brotherhoods rules. Thus, the *Santiago* brotherhood uses a book for the control of the alms, the main resource of the organization (*Santiago* brotherhood, chapter V). The *Buen Viaje* brotherhood rule kept a book to control only the alms, as the *Cuatrovitas* (a not linked to guilds brotherhood) considered. As Irvine (2005) explained, the need for survive improved the role of

accounting at the sacred life of the brotherhoods, independently from the belief system and perception.

Going deeper with the analysis of the role of accounting at religious organizations, it can be stated that the linked to guilds brotherhoods tended to use more accounting devices and terminology than those not linked to. In this way, the *Buen Viaje* and *Buen Fin* brotherhoods rules resorted to inventories to transfer the goods and money from the old board to the new one, while those not linked to guild brotherhoods rules did not mention it. Interestingly, and considering the worry of the *Santiago* brotherhood with the control of the resources it did not dispose anything on this issue. Also, the *Santiago* and *Buen Viaje* rules were led to use more technical terms and accounting jargon than the rest.

All the brotherhoods linked to a guild used accounting books for the control of the resources, although not in the same way. On the contrary, those brotherhoods not linked to guilds did not dispose at their rules, predominantly, the use of accounting books to support the management of the brotherhood.

Concerning to the use of “modern” accounting terminology at the rules, we can find “avant-garde” terminology in all the rules of the brotherhoods linked to guild. This modern terminology could be considered as completely excluded from the rules of three brotherhoods not sponsored by the guilds.

Threshold controls also offer interesting numbers. Most of the linked to professional activities brotherhoods disposed the use of threshold, while those not related to guilds generally did not resort to this technique. All the brotherhoods that considered the use of a threshold, also disposed the amount of such limit.

Such different behaviour supposed a range of perceptions of the sacred parcel of life, not due to the belief system (Irvine, 2002). By the way, these results are consistent

with the critical stream of literature which understood that different settings must lead to different roles of accounting at religious organizations (Fonfeder et al., 2003; Quattrone, 2004; Jacobs, 2005), and so, not aligned with the results of Laughlin (1988) and Booth (1993). In the same way, these results are coherent with those of Swanson and Gardner (1988) and Lightbody (2003) on the influence of financial managers over the accounting practices developed at the religious organizations that they studied.

The process of render of accounts is also interesting. Considering this area as a main sacred parcel of the brotherhoods, following Laughlin (1988) and Booth (1993), it could be expected that accounting should not reach these areas, being, thus, not developed at the brotherhoods rules. However, and far from this perspective, the behaviour of the brotherhoods differed and they did not show a common procedure if they were grouped as sponsored or not with guilds. Thus, the *Santiago* brotherhood developed an accountability process to the whole members of the brotherhood. However, *Buen Viaje* and, overall, *Buen Fin*, did not open such rendering of accounts to the rest of brothers. Those not linked to guilds brotherhoods also showed different behaviours, ranging from a clear rendering of accounts to the rest of conferees, to an unclear system of accountability.

Such rank leads, again, to question the clear cut division of the sacred and profane spheres, and not resorting, too, to the belief system as explanation (Irvine, 2002; Jacobs, 2005; Cordery, 2006), but to the perception of the belief system (Álvarez-Dardet et al., 2006).

Summing up, it can be stated that, in many cases, the permeability of the accounting procedures from the guilds to the brotherhoods allowed for establishing differences among the linked to guilds and the not linked to guilds brotherhoods. This could be consistent with previous results on the relationship of the members of the

religious organization to professional bodies (Swanson and Gardner, 1988; Lightbody, 2003). However, the perception of the belief system appears as an upper explanation to cover the dissimilar behaviour of some of the not linked to guilds brotherhoods.

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