

Non-profit associations have big problems

From Our Anchorage Bureau

Struggling through a sea of financial and management difficulties, Alaska's regional, non-Profit Native association may soon see some light at the end

of the tunnel.

The Board of Directors of the Rural Alaska Community Action Program voted last week to proceed with plans for a conference to be held in late July on the problems the associa-

tions are having.

Although the associations have encountered severe difficulty in taking over federal and state programs in their region in part because the agencies are reluctant to part with

enough money to administer the programs, there are other problems as well.

In a memorandum, Rural CAP Director Phil Smith told the Board of Directors, "The non-profit organizations are

providers of services purchased by public dollars. They are not local governments with their own tax base and legal powers. The larger Native associations have particularly difficult

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Associations plagued by difficulties

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problems of internal administration, financial management and budgeting, since they are direct rantees of a variety of funding sources, each of which has its own motives and administrative requirements. In some cases regional non-profit administration of grants and contracts becomes a nightmare, with high turnover rates of staff, confusion and frustration among board members, audit disallowances and inadequate accounting for public funds."

Moral and Financial Support

In giving its full support to the non-profit association conference, the RurAL CAP Board also requested the moral and financial support of government agencies and the Alaska Federation of Natives. The conference will be planned and coordinated by the RurAL CAP staff.

William Barr, representing

Kawerak, Inc., the association for the Nome area, and Jake Gregory of the Bristol Bay Native Association, both RurAL CAP Board members, explained in detail some of the problems the associations are having.

Barr told the Board of Kawerak, involved in bankruptcy proceedings since last fall "may close shop completely". He said Kawerak needs \$10-12,000 per month until October just to keeps its doors open.

Barr explained that Kawerak's Director, Charlie Johnson, has done an excellent job trimming the association's expenses and holding back the bill collectors, but Kawerak has no guarantee of getting the operating money it needs or renewing most of its program contracts when they expire this year.

Everybody is Looking

Because of its funding difficulties, Kawerak has lost a very

competent accountant, must use someone else's phone and use a copying machine located several blocks away. Barr said he fears that if Kawerak is forced to shut down, it will damage the credibility of the region in general, cause a general cutback in state and federal aid to the area. In addition, other agencies that might take over Kawerak programs would be less responsive and accountable to the residents of the area.

"Everyone is looking at Kawerak," he concluded.

Yet Kawerak is not the only association in trouble. Jake Gregory said the Bristol Bay Native Association "is at its most vulnerable stage" because it has lost its bookkeeper and several positions funded under the Comprehensive Employment Training Act.

Bookkeeping is Crucial

The Bristol Bay example illustrates just how crucial

competent bookkeeping is to the work of the associations.

"In the area of accounting an audit has revealed that the EDA account is unable to document expenditures in the amount of \$20,000. If this account cannot be documented then we have two avenues to take; we can return the funds or request our bonding company to take the loss. In either case this is an unpleasant situation," Gregory reported.

Without adequate administrative funds from the agencies who are turning their programs over to the association, it is difficult to keep bookkeepers from moving to other better-paying jobs, especially in the bush where they are scarce to begin with.

The problems to be addressed by RurAL CAP's non-profit conference were set out by Smith in his memo to the board:

"First, Regional Native Associations must be better defined in terms of their future re-

lationship to Native affairs and development of regional government. As currently operated, they are defined as collections of funds from various sources and have limited identity and independence."

"Second the entire process of the federal grant and contract system must be thoroughly overhauled. It could hardly be worse for the non-profit regions, since it imposes on them budgetary restrictions and management requirements which effectively rig them to fail."

"If the first two steps listed above can be accomplished, the third will be relatively easy: The development of procedures, structures and personnel adequate to the administration of such projects at the regional non-profit level. Currently there are high rates of turnover, a general lack of management skills and a lot of very inadequate systems for the administration of money, employees and programs."