

# Monaghan Clarifies The ANICA Bylaws

(Editor's Note: The following is the clarification of some of the bylaws of the Alaska Native Industries Cooperative Association (ANICA) by Leonard Monaghan for the benefit of the ANICA directors in 33 villages.)

NOTE: Article 12, p. 4

"Approval of the Secretary shall not be required after the Association and members have repaid their indebtedness to the U.S. in full."

## 1. Power of Secretary of the Interior:

- (a) Amendments require his final approval
- (b) Form of organization must be acceptable to him
- (c) Dissolution not effective unless approved
- (d) At dissolution request he may take possession of the assets and exercise its powers until he believes final dissolution is advisable
- (e) New members subject to approval of the Secretary of the Interior
- (f) Loans for operating capital from sources other than U.S. members, non-members participating.

## Commissioner of Indian Affairs: (Subject to approval of)

- (a) May appoint Secretary-Treasurer in case of vacancy, until a new one is approved by the Board and the A.D.
- (b) Form of entire organization and all members

THIS ENTIRE ORGANIZATION IS SUBJECT TO THE APPROVAL OF THE BIA AREA DIRECTOR AND COMMISSIONER OF INDIAN AFFAIRS. ONLY THE SECRETARY OF THE INTERIOR IS NO LONGER REQUIRED AFTER ALL DEBTS TO THE U.S. ARE PAID.

## Area Director of Alaska Native Service: (Approval)

- (a) Amount of deposits by members determined by the board, subject to approval by A.D.
- (b) Adjustments to maintain deposits on equitable basis
- (c) Any refunds of deposits
- (d) Compensation of board members for performance of duties
- (e) All delegations of power by the board to an executive committee
- (f) Time and place of annual executive committee meeting. Any additional meeting subject to approval also. Meeting shall be omitted, if Area Director says the Association cannot afford it. (Call for meeting must have AD approval before it is sent to directors.)
- (g) Changing of members from one group to another
- (h) Withholding of Secretary-Treasurer
- (i) Board's choice of a qualified manager and his contract
- (j) Withholding of payment of remaining net savings to member or to increase deposits with the association
- (k) Depository for association funds.
- (l) Service charges on each activity set up by the manager if the Board doesn't approve by January 1 the A.D. sub-the rates until agreement is reached.
- (m) Discontinuation of unforeseen charge.

(Bylaws and articles worded in such a way that the BIA has a stronghold on ANICA regardless of whether the association pays its debts in full.)

## 3. Secretary Treasurer: THE PERIOD OF TIME IS DESIGNATED BY THE BOARD.

### TERMS OF OFFICE

Board of Directors: elected for terms of three years by the members. Directors elected from village. Removal of Director: 2/3 vote of other directors

Executive Committee: Three-year term; Five, Vice President; One, President. Removal: 2/3 vote of directors elected from native directors.

Secretary-Treasurer: Period of time designated by Board. Selection need not be a member of the Board. Selection subject to approval by area director. (Example: Bob Hilts—Secretary-Treasurer for 12 years also company accountant!!!)

Removal: By Commissioner of Indian Affairs

### DUTIES:

#### BOARD OF DIRECTORS:

1. Manage business of association
2. Employ a qualified manager under a written contract, giving authority to hire other employees of association
3. Delegate their powers to the executive Committee. (They cannot delegate the power to dissolve, expel members, or remove directors.)
4. Director may be removed by 2/3 vote of other directors.
5. Board shall set time and place of meetings. (approval of AD)

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# Bylaw Clarifications . . .

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6. Expulsion of a member by 2/3 vote.
7. They may instruct per cent of interest to be credited on deposits, unpaid patronage and unpaid interest.
8. They determine if payment of interest is feasible for the Association.
9. Depository of association funds approved by them.

## PRESIDENT:

Vote to break a tie.

## EXECUTIVE COMMITTEE:

Meets once a year. Carry out delegation of power set by the Board.

## SECRETARY-TREASURER:

Combined with Secretary-Treasurer can be both Secretary-Treasurer and Manager! Secretary-Treasurer for an indefinite period of time. (Manager contract approved by BIA) An accommodation a/c must be maintained by the manager for purchases made by individuals for personal use. Manager determines service charge on each activity and submits schedule to Secretary-Treasurer.

## SECRETARY-TREASURER:

1. Matter requiring action by the Board or executive committee is not valid unless transmitted by him.
2. Keep a complete record of all meetings and inform all directors of the results.
3. Make reports per instructions of Board.
4. Keep current list of all Directors and officers.
5. Inform members of expiration of terms.
6. Perform financial and other duties prescribed by Board. Report annually to Board and AD on amount of deposits and debts.
7. Inform directors and area director, (note: worded in such a way that the natives identify their director with the BIA director), in writing of results of meetings or elections in any form.
8. Credits interest on deposits, unpaid patronage and unpaid interest at 3% annum.
9. Transmits service charge schedule to area director.
10. Discontinuation of "unforeseen" a/c charge subject to his approval.

## OPERATING CAPITAL:

1. Reserve Fund
2. Membership fees
3. Deposits by members
4. Payments for interests
5. Unpaid patronage refund
6. Unpaid interest

## RESERVE:

25 per cent of net savings each year to \$100,000.

10 per cent of net savings each year to \$500,000.

(Note: How much is actually in Reserve fund?)

EDUCATIONAL FUND: 5 per cent net savings each year.

Educational expenses to be used to teach natives cooperation, accounting, successful operation of the association. Expenditures require approval of the Board. (Note: Up to this time this fund has been used expressly for annual executive meeting of which there was none held in 1967 for lack of funds.) It is being used up each year for travel expenses for a few (3 or 4) executive board members who apparently represent all 33 members—is this fair representation?

## REMAINING NET SAVINGS:

Savings over amount to maintain reserves shall be distributed to members and non-members based on volume of business on a patronage basis or payment may be applied to increase deposits with the association. Payments of any sort may be withheld if it would be injurious to the financial structure of the association. Subject to approval of directors and A.D. (Note: All interest credited or paid under authority shall be considered as operating expenses of the association. Refer to p. 9 minutes.)

## UNPAID PATRONAGE REFUNDS:

Remaining net savings not distributed or applied to deposits. These are liabilities to members and non-members and are treated as deposits although accounts are maintained separately (or should be) and amount is entitled to a limited return. (max. 4% per annum)

## UNPAID PATRONAGE FUNDS:

Any payment of patronage refunds may be applied on any debt due the association. Patronage refunds are paid only after the association's losses or other phases of the association's business have been deducted.

## ACCOUNTS RECEIVABLE:

Shall be kept separate from a/c of deposits, loans by members and a/c of unpaid patronage refunds and interest.

## RETURN CAPITAL:

Deposits, unpaid patronage refunds and unpaid interest are entitled to a maximum 4 per cent net return per annum. (Unpaid interest and unpaid patronage will be the same rate). Interest on these will be credited at rate of 3 per cent per annum, unless otherwise instructed by the Board. Actual payment will be withheld until it can be made without injury to the association's financial structure. (determined by the Board) All interest credited or paid shall be considered as operating expenses of the association.

## DEPOSITORY:

Depository shall be approved by the Board and area director.

## SERVICE CHARGES:

Drawn up by the manager, then to secretary-treasurer on to area director, last to the Board for approval. If the Board doesn't approve the A.D. sets his own rates until agreement is reached. Service charges may vary on . . . different activities of the association; different types of merchandise purchased; different areas of Alaska.

No service charge on insurance costs, storage or handling mainly because members already pay freight, wharfage, handling, lighterage, marine insurance, cargo storage, fire insurance, etc. and also pay one-half of 1 per cent of cost of merchandise to an "unforeseen shipping losses" account. The "unforeseen shipping losses" charge may be discontinued if the amount in the a/c is consistent with the risk involved (the risk is determined by the volume of business). Subject to the approval of the Secretary-Treasurer and area director of course. The "unforeseen" a/c may not be distributed except in dissolution.