

Tununak Activity Report

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General Information:

Marita Hanson, LGS staff in the Bethel office, and Paul Chimiugak, RUBA staff in the Bethel office, have made 3 trips to this community. An organizational assessment and Model Financial Record Keeping System (MFRKS) overview was completed in February with the administrative staff including the Traditional Council President. The assessment identified all major area's of reorganization and reconstruction needs. These are: record keeping system, financial management, organizational structure, IRS/DOL taxes, and administration structure. A record keeping system has been put in place, bank accounts are being reviewed, evaluated, reconciled and if necessary closed and another account opened due to insufficient records. So far, the general account was closed and now operates under a new bank account through the First National Bank of Anchorage. A budget has never existed for this organization and procedures toward developing one is underway at a very slow pace. Reconstruction of employee records, payroll and tax has started. Old records have yet to be organized and completed which have been set aside at the present time while the new bookkeeper is getting this record keeping system operating properly. The current task is to start with the new year on this system before backtracking begins. A general idea of their expenses shows IRS owed back taxes of \$200,000; accounts payable of over \$15,000; pending a figure from Department of Labor (DOL) the dollar amount is yet to be confirmed. The next step is estimating the revenues from the services they provide such as the washeteria, water & sewer, percentage overhead cost from AVEC and YKHC, and Bingo. These are the next records that are currently being worked on in order for the staff to get revenue figures. LGS/RUBA staff have recommended they develop a budget with what figures they can come up with so that the administration and council can for the first time see a budget. This will help them see how much they have in revenues and how much they are spending.

The IRS officer for the area has made his recommendation of wanting to see cooperation in filing and paying what they can for the back taxes starting in April. If this happens and continues consecutively for the next 6 months, he will revisit their account. With blessing from his superiors he will present a favorable option to this organization regarding their back taxes. However, if his recommendation is not followed, then he will issue the Notice 784 of Trust Fund Penalty and Personal Liability to staff and council.

The Council has taken action in discussing everything the Bethel Office staff and the IRS has recommended and is now slowly starting to take action. After a couple meetings, it is apparent that this Council needs an Elected Officials training on their duties and responsibilities.

Observations and Recommendations:

Finances — Currently, the new general account balance is just about \$5,000. The rest of the bank accounts for gaming and clinic are fluctuating around \$1,000. Frequently, Non-Sufficient Funds (NSF) notifications are being sent out by the bank.

Accounting Systems — Currently a Model Financial Record Keeping System (MFRKS) is being applied to their financial management. They have one NEBS pegboard, and one cash receipt journal for the Flush Tank & Haul System account. LGS/RUBA staff have recommended to the bookkeeper to start journals for the bingo, clinic and washeteria. There are three Ekonomik check registers for bingo, clinic and general account. The Flush Tank & Haul System account is being administered utilizing the co-water peg board system which included an work-order/invoice and individual customer ledger accounts.

Tax Problems — IRS has no record of any tax reports, payments, or forms being filed since the City was dissolved and this organization became the successor to the city government. The back taxes owed is currently in the \$200,000 arena. Contact has been made by IRS, this time to the whole council and a recommendation to start cooperating has been given. Filing and payments are to start this month including contacts with Mr. Moss, IRS officer.

Personnel System — LGS/RUBA staff from the Bethel office presented a sample personnel policy questionnaire to the staff and tribal council and recommended they review this and choose and develop one suited for their organization. We offered our help and computer capability to develop one once they have finalized what they want on the policy.

Organizational Management — The traditional council consists of about 7 members including an elders committee of about 5 members. From our observation, the elders committee advises this council and gives direction as needed. There seemed to be a conflict within the traditional council regarding at least three council members. We informed them of the necessity of working together, not against one another, in order for their organization to proceed toward improvement.

Leadership/Governance — The office of traditional president has been vacant for a year. However, the vice president has taken on the role of the president. She checks the office every day and makes sure the staff is working. She seems to be an excellent foreman in keeping the staff working as long as she knows what she needs to do at that moment. She needs to understand and get a grasp of the management overall. LGS/RUBA staff from the Bethel office have recommended another council member help her and translate to her the understanding of the fundamentals of her daily duties. She has a problem of labeling herself as the President but still identifies herself as the vice president. She had asked the council to appoint the presidency to someone else but has not gotten support in this. She submitted a verbal resignation from the council and president seat, which was turned down.

Operation of Utility — This is in operation and hasn't changed since this project began. However, the record keeping system was lacking the last two trips we made to this community. We recommended to the administrator to get this under control before it gets

too far behind. In fact we suggested he be the one responsible to keep the records up to date since the new bookkeeper is currently busy getting the record keeping system started for the whole organization.

Ranking

1 = Inadequate

4 = Adequate to meet minimum requirements

7 = Exceeds requirements

Category	1	4	7
Finances	X		
Accounting Systems		X	
Tax Problems	X		
Personnel System	X		
Organizational Management		X	
Leadership/Governance		X	
Operation of Utility		X	

