

Fiscal Problems

During the 32 years that I was with the BIA, 27 of them in an administrative position the matter of funding and fiscal problems were ever present. The situation was a continuous "too little and too late." This same condition according to all the information that I could gather from older Indian Agency Superintendents and administrative personnel in the BIA this same situation existed back to the day one. Not only was it "too little and too late" it was a matter of priority of the distribution of funds by the Central Office in Washington. I have in my possession a report of an Indian Agency Superintendent in the 1890's who included in his annual report a most critical blast at the Washington Office for lack of truly needed funds and who had even spent from his own meager salary (about \$ 800.00 per annum) funds in behalf of the Indian reservation and the Indian people themselves. It would be impossible to take the time to review my own personal cases and situations as it pertains to the appropriation of funds, maintaining records for same, the distributing the allocated funds to the different branches of the agency program and working with the Indian people who in the end were the ones who was to be served by the BIA program. I am attaching a brief file pertaining to operational funds at the Standing Rocky Agency during the first 3 months of my tenure as Superintendent there. The material in the file will tell a sad story. Not only sad but tragic when one looks at the overall picture of the administration of a reservation with approximately 4,500 to 5,000 Indian people and approximately three quarters of a million acres of land in North and South Dakota. I regret that I do not have the incoming letters from the Area Office and from Washington. The reader will just have to use my personal file copies of reply to visualize and imagine the contents of the incoming correspondence. It is too bad that someone cannot write a complete history of the funding and use thereof of monies appropriated to the Indian Agencies over a long period of time. For the most part the information is hush/hush and not to be aired in public. The allocation of such funds as there have been have been decided at the Washington and Area office. Needless to say as in all government programs the first allocation of funds was made to the upper echelons. At least the reader will get a brief overview of one situation which speaks for itself.

jww

SPECIAL



Standing Rock Indian Agency
Fort Yates, North Dakota
October 27, 1954

Memorandum

To: Aberdeen Area Director

From: Superintendent, Standing Rock Agency

Subject: Status of Allotment Account 1600 - General Administrative Expenses

Following our review of your analysis contained in your memorandum of 20 October 54 relative to the financial picture of Account 1600 - General Administrative Expenses, the following information has been prepared for your perusal.

From the following figures it would appear that your office is in position to re-program or adjust funds to cover those items totaling \$217.18 which you advise could not be allowed due to lack of sufficient funds under the second quarter's apportionment.

Authorized salaries - 1st Quarter	\$4,555.00
Authorized salaries - 2nd Quarter	4,703.00
Total	<u>\$9,258.00</u>
Payrolls - 1st Quarter	3,369.60
Payrolls - 2nd Quarter	4,654.32
Total	<u>\$8,023.92</u>
Net Savings	\$1,234.08

Authorized funds for regular salaries for 1st and 2nd quarters were reduced \$852.00 and Other Expenses were increased by \$800.00, leaving a net reduction of \$52.00. In addition to this, regular salary funds for 3rd and 4th quarters were reduced by \$298.00, making a total of over-all reductions of \$350.00. It would appear that with a savings effected in the first six months under Salaries, less salary cost for last six months (\$10,023.29 against \$9,582.00 authorized) a net savings of \$892.79 is available for re-programming. This does not include the \$350.00 deduction which was not re-allocated. I will appreciate your consideration in reviewing our figures with the thought of affecting re-programming of funds (which could be effected) which will more than cover the amounts referred to in your memorandum of 20 October 54, and provide funds for use in the 3rd and 4th Quarters.

Area Director - 2.

Our conclusion is based on the following figures which you will be able to compare with those of your office by using the same dates and salary schedules.

1st Quarter

	<u>Regular Salaries</u>	<u>Other Expenses</u>
Spencer	897.33	
Wellington	554.31	
Picotte	913.86	
Murdock	954.00	
Clearing Accts.		432.36
Fixed Charges		159.99
Misc. Items		<u>776.73</u>
	<u>\$3,319.40</u>	
Adjust to AO Stmt.	3,369.60	1,369.08
Allocations	<u>4,555.00</u>	<u>1,400.00</u>
Savings	1,185.40	30.92

2nd Quarter

	<u>Regular Salaries</u>	<u>Other Expenses</u>
Wellington	1,662.94	
Cobb	1,102.53	
Picotte	925.25	
Murdock	963.60	
Clearing Accts.		648.54
Fixed Charges		188.22
Misc. Items		686.92
	<u>4,654.32</u>	<u>1,523.68</u>
Allocations	4,703.00	1,200.00
Plus 1st Qtr. Savings	1,185.40	30.92
	<u>5,888.40</u>	<u>1,230.92</u>
Balances:	+ 1,234.08	- 292.76

Area Director - 3.

3rd Quarter

	<u>Regular</u> <u>Salaries</u>	<u>Other</u> <u>Expenses</u>
Wellington	1,759.02	
Cobb	1,272.64	
Picotte	897.22	
Murdock	934.40	
Clearing Accts.		648.54
Fixed Charges		187.47
	<u>4,863.28</u>	<u>836.01</u>
Allocations	4,754.00	900.00
Balances from 2nd Qtr. \neq	<u>1,234.08</u>	- 292.76
Available	5,988.08	607.24
Balances, End 3rd Qtr. \neq	1,124.80	- 228.77

4th Quarter

	<u>Regular</u> <u>Salaries</u>	<u>Other</u> <u>Expenses</u>
Wellington	2,007.26	
Cobb	1,292.52	
Picotte	911.23	
Murdock	949.00	
Clearing Accts.		432.36
Fixed Charges		177.20
	<u>5,160.01</u>	<u>609.56</u>
Allocations	4,828.00	900.00
Balances from 3rd Qtr. \neq	<u>1,124.80</u>	- 228.77
Available	5,952.80	671.23
Est. Balances 6-30-55 \neq	892.79	\neq 61.67

It is believed that, by the re-programming of funds, the difficulties being experienced can be resolved without an additional allocation. However, it would still be necessary that expenditures be held to an absolute minimum and will not permit the assumption of any portion of costs pertinent to other divisions which may be short of funds.

[The items which you refer to in your memorandum of 20 October 54 totaling \$217.18 and which you advise cannot be allowed due to lack

Area Director 4.

* of sufficient funds, is one of grave concern to this office. You may be assured that the items and amounts so listed are necessary for the continued operation of this office. If you deem it administratively advisable, I will place myself on furlough without pay, the resultant saving to cover impressed cash voucher in the amount of \$91.97 covering \$68.00 of postage stamps, \$8.25 mimeograph paper and \$15.72 lumber, not that I believe this is the solution to the situation but as evidence of this office to go as far as possible in making such settlements as you suggest in your recent memorandum.

* Under no circumstances could I accept or recommend furloughing employees to assimilate the cost totaling \$125.21, for coal, hauling, and transportation of same. If it has reached a point where it is necessary to furlough employees without pay to cover cost of fuel used for space heating and for which deductions are made from pay, it will be necessary that I ask for a re-assignment. It is true that the personnel in the isolated agencies have received a substantial reduction in deductions for quarters, however, when it is necessary to drive as far as 60 some miles for services normally obtained by those living in urban areas, it would appear that such reductions are in order. Notwithstanding that deductions include heat, I can state from such evidence as I have observed in the past two months, that at least fifty per cent of the employees of this agency campus whose quarters are on the central heating plant lines, have had or now have severe colds due to lack of normal and uniform heat. This, I understand, is a bi-annual occurrence and I do not believe such a situation is called for under any circumstances. If present finances preclude making arrangements to supply normal and uniform heating as required in this climatic area, it would appear as though a thorough study of the situation should be made for future budgeting of funds.

I would further state that it is also most difficult to maintain the controlled expenditure of funds when one's office is not in a position to know from day to day what funds they have or what funds may be expended. The withdrawal of funds from various accounts without prior knowledge to this office does not allow for efficient administration of funds. The fact that we do not have any means of keeping an accurate check on the expenditures of funds, it being difficult to reconcile the amount of unliquidated obligations without having recourse to ledger sheets or other information showing liquidated items, this makes it impossible to effectively or efficiently administer funds in any division.

I regret to advise that it does not appear that any suitable records have recently been maintained, or at least if they have been, I cannot locate them in this office, such records having reference to an orderly and effective procedure in checking the expenditures of funds allocated to this jurisdiction. Further, I would advise, and this will be confirmed by the report of Mr. Lassiter, Auditor of the

Area Director - 5.

Central Office, the conditions of funds in the local Individual Indian Money depository were most unsatisfactory. The manner in which these funds were handled was deplorable. The backlog of work in the Land Division at the present time is such that it is impossible to take care of the daily work load under present conditions. Although some semblance of readjustment has been made to date, this office has a long ways to go before effective and efficient service may be rendered. If it is not possible for us to have funds to operate under the minimum amount necessary to carry on the functions of the administration of this office, I believe that we should be so advised immediately by a directive from your office so that future plans may be made accordingly. When it becomes necessary to question the advisability of buying postage stamps, necessary office supplies and fuel for the homes, I am sure that we have reached a point where it is necessary that the situation be given our closest and most careful consideration.

I had made arrangements for Mr. Cobb, Administrative Officer, to visit your office on Monday, 25 October 54. However, on receipt of your memorandum of 20 October 54, I did not believe that under the circumstances such a trip should be made in view of the fund situation. I firmly believe, however, that Mr. Cobb should visit the Area Office and become acquainted with the Branch of Personnel and to go over the various accounting systems with the budget and finance staff. I am sure that both he and this office, as well as members of your staff, would be in a better position to evaluate the problems arising from such situations as I am covering by this and memorandums to you as of this date.

Your suggestions and comments with reference to this situation would be appreciated.

J. W. Wellington
Superintendent

JWW:lbp

Standing Rock Indian Agency
Fort Yates, North Dakota

November 8, 1954

Mr. W. O. Roberts
Aberdeen Area Director
Bureau of Indian Affairs
820 South Main
Aberdeen, South Dakota

Dear Mr. Roberts:

At this time I would like to refer to the reports prepared by Mr. Ray Lightfoot, Fiscal Accountant and Auditor of your office, and Mr. Albert Lassiter, Auditor, of the Central Office, from your personal observations and verbal reports which have been called to your attention regarding the deplorable condition of the Individual Indian Money depository and other like conditions in other branches at this jurisdiction. I had hoped that it might be possible to have been able to advise you by this time that sufficient progress had been made to alleviate the situation where it would not be necessary to prepare a letter of this nature. However, I find that the present situation and that the future as it looks at the present moment, is such, that I no longer can hold the matter in abeyance and that a complete listing of the facts must be presented to you at this time.

It would be of little value to try and set forth all of the reasons why the present situation exists. It appears to be a series of errors of commission and omission over a period of years, each with a new out-cropping of failures to comply with policy and regulations, until it has now reached the present condition. It is my personal opinion that immediate administrative action must be initiated. I have discussed the matter thoroughly with Mr. Lightfoot and Mr. Cobb, Administrative Officer of this Agency. It is our belief that unless firm action be taken at once, the bonded officers of this agency are being unduly jeopardized by conditions beyond their control to a point where it does not appear judicious for them to continue under present conditions without assistance from your office.

I will briefly enumerate some of the most glaring conditions as they exist as of this date in the Individual Indian Money Accounts depository. We find that there are approximately 200 Special Deposits, containing thousands of dollars, and which have been recorded on the ledgers in some instances six or eight years.

In going over these Special Deposit ledgers, it is our opinion that the lack of information on them is such that, it is quite possible that it would take from one or two days per ledger to trace the probate files, land and grazing divisions, before a judicious settlement of that particular ledger could be made. I am sure that there are several thousands of dollars on Special Deposit and that the individuals concerned are not aware of any monies being on deposit at this agency. To clear these accounts it will take additional services of personnel to completely follow through in a reverse procedure obtaining all the necessary information before the funds may be properly placed.

It has been estimated that there are presently some 2,700 Individual Indian Money accounts. It is also found that due to a lack of the required information which should be maintained on each ledger, i.e. date of birth, allotment number, address, and in many cases no indication that the person is deceased, that the bonded officers jeopardize themselves under their bond to sign checks under the present conditions. It is believed that in time the 2,700 accounts could be cut to 1200 or 1400, competent personnel being made available for that purpose. As you were cognizant, there were overdrawn accounts from this depository totaling \$359.72. This in itself indicates the manner in which the accounts have been handled. I can assure you that both Mr. Cobb and myself are most reluctant to sign any check in view of the present deplorable situation of improperly maintained accounts as we have found them and as they still exist. It has been noted that accounts have been erroneously posted, withdrawals made, and re-posted to other accounts without substantiating evidence for such action. There are cases where duplicate ledgers have been established presenting that serious problem of never knowing that, should funds be withdrawn from one card the same amount might be withdrawn again from a duplicate ledger. I can assure you the situation is most serious.

It is estimated that there are in the vicinity of 800 estate cases where there is money on deposit to be distributed to the determined heirs. I would have no sound basis to determine how much time will be necessary to clear up this particular phase of the depository accounts.

As you are aware, there is approximately \$4,600 of accrued interest since 1943 which should be immediately disbursed through the individual ledgers. Again, I have no idea as to how long it would take to make the necessary division of this accumulated accrued interest with our present personnel.

At the present time there is no accurate or usable index covering the accounts in the Individual Indian Money Accounts depository. This in itself multiplies many times the amount of work necessary in working up information for each ledger. In many cases incorrect names are listed on the ledgers. Checks have been received at this office mailed to individuals in care of the Superintendent.

These have been taken into the accounts causing additional work. There are also many other smaller details, which I do not feel it is necessary to enumerate, which add their small weight to this already out-of-balance situation.

The situation with reference to the Individual Indian Money Accounts depository has been given most careful consideration by myself, Mr. Cobb as Administrative Officer, and Mr. Lightfoot, Fiscal Accountant and Auditor, of your office. We are united in our firm opinion that, with the present personnel, it is not possible to catch up this back log of work and carry on the daily work load of this agency. It would appear that incompetent or insufficient help, or both, over a period of years, plus the lack of continuing administrative review, have been main factors leading to the present conditions.

This matter is being placed in your hands for a complete review. I respectfully request that subsequent to your review of this communication, reports now in your office, and from such other information as you may have, that you administratively advise me as to what steps you deem it expedient to take in this instance. I feel confident that you will agree, it is not equitable to expect bonded officers to take over such a situation under their personal bonds, when the facts of the case are most evident. In order that administrative and equitable protection may be given in this instance, it is my recommendation that a most complete and thorough audit be made of these accounts. I feel sure that you will give this your serious consideration and that you will advise me within a short time. I do not feel that under the present conditions it is expedient nor judicious for us to continue disbursing funds from these accounts in view of the facts that I have placed before you at this time.

It is possible that you may not be completely aware of other situations regarding all branches of this agency which exist at the present time. I had hoped that it might be possible that some time within the first two or three months to prepare a letter for your consideration, setting forth the things which I have found upon being detailed to this agency which I personally feel should be given your administrative consideration. For example, there is no general filing system at this agency. I have received letter after letter from attorneys, individuals, commercial firms, etc., and have been unable to find anything in the files with reference to the information they request or the cases which they called to our attention. The unorthodox procedure of handling business matters is such that it appears as though many of the employees are now in the habit of doing what is necessary to get by regardless of the work to be done by them or in their particular branch. As another example, I would cite the fact of which you are already cognizant of, namely, that of there being \$12,176.89 of delinquent telephone, milk and hospital bills outstanding at this agency. These delinquencies date from August 1954 back six or seven years.

Individual totals, in many cases, run into the hundreds of dollars. This agency has been severely criticized by the Central Accounting Office with reference to these delinquencies. An effort is being made to collect, but I can assure you that complete collection will be most difficult.

It is noted that there have been many errors in official documents leaving this office with reference to land sales and although a system has now been initiated where such errors will be eliminated to a minimum, the damage has been done.

It is estimated that there are 90 days backlog of land work now in the Realty Division. With the present personnel and daily work load, I can see no possible chance of eliminating any of this backlog without closing the Realty Division for a considerable length of time. While at Fort Belknap, I initiated the practice of holding two or three land sales a year. It would certainly seem expedient to initiate such a procedure in holding sales at this jurisdiction if it meets with your administrative approval. Even so, I believe that we must determine whether we shall continue our present efforts, taking care of the daily work load and trying to catch up on the backlog at the same time, or declare a moratorium. To me, the former, appears impossible under present conditions.

I am sure that you are also aware of the funds situation under our Branch of Management of Indian Trust Property. Without assistance from your office in re-programming present funds, it will not be possible to complete the third quarter. There has been but four hundred and some dollars allocated for the fourth quarter. In this instance it will be necessary to furlough all Realty employees, and the clerk of the I.I.A. Section. This Branch has been unable to buy postage stamps or any supplies. The purchase of coal for this Branch was disallowed by your office. The Branches of Administration (including Credit) and Law and Order having outstanding obligations for essential purchases which presently have been disallowed by your office. Separate letters of transmittal to your office cover in detail the expenditure of funds and the need for re-programming third and fourth quarter funds if we are to continue to operate.

I consider the situation serious. I would appreciate your administrative review of the case and would ask that you advise me at the earliest possible date of such procedure as you would have me carry out at this jurisdiction.

As a bonded officer, it appears as though I am placing myself in daily jeopardy with reference to the disbursement of funds under the present time. If possible I would like to personally discuss the problems of this agency with you. I have tentatively planned to come into the Area Office 16 November 1954, providing you will advise me that there are funds available for a two day trip. Mr. Lay of this office has business which should be presented at that time. A savings could be initiated if we are able to consolidate our trip on that date.

Will you advise me if funds are available and if the date meets with your approval?

Sincerely yours,

J. W. Wellington,
Superintendent

Duke:

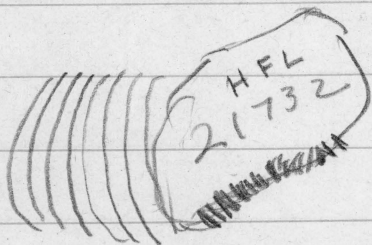
With current expenses for salaries, clearing account and fixed charges, there is no way to turn

<u>Obligations</u>	<u>Auth. for Salaries</u>	<u>Other Expenses</u>
	2787.00	320
Salaries 1 st Qtr.	2342.18	
Clearing 1 st Qtr.	177.34	
Fixed 1 st Qtr.	84.17	
Unaccounted for 1 st Qtr.	30.62	292.03
Savings:	444.82	27.97
2 ^d Qtr. Authorized	2787.00	320.00
Decreased	3,231.82	
	418.00	
Total available	2,813.82	347.97
Salaries - 2 ^d Qtr.	2760.22	
Clearing	265.86	
Fixed	102.98	
Coal-Hauling-Tron.	125.22	
Cr. Card Claim	2.52	496.58
	+ 53.60	- 148.61

As a means of offsetting this, it would be necessary to furlough employees if we cannot get the 406⁰⁰ reallocated. This would merely delay a final determination on furloughing.

With a salary cost of \$2772.52 for 3d qtr and \$2714.00 allocated, we will fall behind again. I shudder when the 4th qtr comes up, only \$424.00 salaries and \$40.00 other expenses is authorized.

We need stamps for mailing of land advertisements and no funds - this holds true for the bank in mailing of checks, etc.



A large, stylized signature, possibly "B. J.", written in dark ink.

Standing Rock Agency
Fort Yates, No. Dakota
28 October 1954

Memorandum

To: W. O. Roberts, Area Director
From: J. W. Wellington, Superintendent
Subject: Status of Allotment Account No. 1790 - Maintaining Law and Order - Operating Expenses.

Reference is made to your memorandum of 20 October 1954 in which you present your analysis of Maintaining Law and Order funds at this Agency, such analysis being in relation to fixed charge obligations as established by our common services program and other direct charges. Listed below is a financial statement indicating authorized funds for salaries:

Regular Salaries:

7/1 - 9/13 William Goodiron pay (including Terminal Leave) from Operating Statement, Sept. 1954 -	\$ 632.14
Authorized -	<u>760.00</u>
Savings:	<u>127.86</u>
2nd Quarter Authorized	<u>760.00</u>
Savings-October (based on Goodiron pay)	235.28
Total savings-first and second quarters	\$ 363.14

Other Expenses:

1st Quarter-Fixed charges \$ 82.67		
" " -Other	\$36.05) from Operating
" " -Common Serv.	9.90) Statement Sept. '54
2nd Quarter-Fixed charges 107.48		
	<u>\$190.15</u>	<u>\$45.95</u>
Authorized:		\$ 236.10
		<u>200.00</u>
Overdraft:		\$ 36.10
Net Savings - 31 October 1954:		\$ 327.04

It would appear that as of 31 October 1954, we should have a credit of \$327.04 salary savings. Should a Policeman be hired as of 1 November 1954, at the initial rate of CPC-5 \$2,974.00, cost to 31 December 1954 would be approximately \$476.46. This from \$760.00 allocated indicates a total savings in the second quarter of \$283.54. I would further advise that it would not appear likely that we will be able to fill this position by 1 November 1954 due to the lack of qualified applicants. We do have three applications at the present time and are expecting others shortly. We anticipate the position will be filled during the month of November from these applicants.

The \$400.00 which has been set up for Other Expenses would leave a plus balance of \$8.73 for other than fixed charges. From this information, it would appear that it would be expedient to consider re-programming so that the equitable transfer might be consummated from Salaries to Other Expenses.

Your memorandum of 20 October 1954 indicates that you presently have not allowed purchase orders and a bill of lading in the amount of \$309.36 as indicated herewith:

P. O. 330, Lump Coal	\$147.00
P. O. 334, Hauling Coal	98.70
B/L 118435, Coal transportation	63.66
	<u>\$309.36</u>

In reviewing our analysis of this situation and showing that as of 31 October 1954, we do have a net savings of \$327.04, it would indicate that re-programming of Salaries to Other Expenses could effect the necessary clearance and still leave a plus balance of \$17.68. I am sure that you are cognizant of the fact that each division pays the cost of the purchase of coal and transportation of same for heating of buildings used. Lack of funds to make such purchases under Maintaining Law and Order will result in the closing of the jail.

Your suggestions and comments are invited with reference to this situation.

J. W. Wellington
Superintendent

JWW/jgp

Standing Rock Indian Agency
Fort Yates, North Dakota
28 October 1954

Memorandum

To: W. O. Roberts, Area Director

From: J. W. Wellington, Superintendent
Standing Rock Indian Agency

Subject: Status of Allotment Account 1860, Management of Indian Trust Property.

With reference to your memorandum of 20 October 54, relative to Allotment Account 1860, Management of Indian Trust Property. Subsequent to our review of your memorandum, a thorough analysis has been made of our present situation and the following information is presented for further consideration.

Expenditures for salaries and other expenses for Management of Indian Trust Property covering the First Quarter and authorized allocations for the same period are consolidated herewith. It will be noted that there is a plus balance under Regular Salaries, \$444.82 shown. In addition there is a plus balance of \$27.97 Other Expenses shown. This amount will more than cover the items indicated and disallowed in the amount of \$127.74 as set forth in your memorandum of 20 October 54 and would carry a total plus balance of \$472.79 in the Second Quarter.

	<u>SKYE - First Quarter</u>		<u>Salaries</u>	<u>Other Exp.</u>
7/1	\$204.23	Less \$27.50 rent	\$ 17.67	
8/1 - 9/30	\$204.23	Less \$16.50 rent	826.01	
			\$ 843.68	
	<u>ANTELOPE - First Quarter</u>			
7/1 - 7/17	\$116.54	Less \$15.00 rent	\$ 121.85	
7/18 - 9/30	\$116.54	Less 10.00 rent	575.32	
			\$ 697.17	
	<u>SHOPTHEESE - First Quarter</u>			
7/1 - 7/17	\$135.96	Less \$21.50 rent	\$ 137.35	
7/18 - 9/30	\$135.96	Less 13.00 rent	663.98	
			801.33	- \$ 292.03
Total			\$ 2342.18	
Area Office Shows:			2357.44	
Authorized First Quarter			2787.00	† \$ 320.00
First Quarter Savings +			444.82	† \$ 27.97

The allocations, expenditures and decreases are consolidated to show current standing of funds.

SECOND QUARTER

	<u>Salaries</u>		<u>Other Expenses</u>
SKYE	\$ 1,238.02	Clearing Accounts	\$ 265.86
ANTELOPE	710.66	Fixed Charges	102.98
SHOPTEESE	811.54	Coal-Hauling-Trpn.	125.22
	<hr/>	Credit Card Claim	<u>2.52</u>
	2,760.22		496.58
Allocations	2,787.00		320.00
Savings 1st Qtr.	<u>444.82</u>		27.97
	3,231.82		
Less decrease	<u>418.00</u>		
Total available	2,813.82		347.97
Savings	† 53.60	RE -	148.61

With a re-programing of funds for the Second Quarter, a deficit or minus balance of \$95.01 is indicated. Such a deficit occurring through normal procurement of fuel for heating quarters, said items being disallowed in your memorandum of 20 October 54.

The results of our analysis of the third quarter presents a dismal, but not impossible situation if we consider the hopeless and impossible situation that lies ahead of us in the fourth quarter.

THIRD QUARTER

	<u>Regular Salaries</u>	<u>Other Expenses</u>
SKYE	\$ 1,220.25	
ANTELOPE	702.26	
SHOPTEESE	799.24	
	<hr/>	
	2,721.75	
		Clearing Accts: \$ 265.86
		Fixed Charges: 102.48
		<hr/>
		368.34
Allocation:	2,714.00	320.00
Deficit:	- 7.75	- 48.34

I In view of the fund situation for the fourth quarter, wherein only \$424.00 has been allocated for salaries and it is a known fact salaries will exceed \$2,700.00 and \$40.00 allocated for Other Expenses, Fixed Charges and Clearing Accounts. The latter charges have never been less than \$320.00. Further, the Land Division and Individual Indian Money depository have never purchased postage for their respective Branch and it would appear that not less than 2/3 of the postage used at this Agency is for Land and IIM services. Therefore, it would appear advisable and expedient to re-program funds from the fourth quarter for it will be impossible to operate that Branch of MITP for more than two or three weeks of the fourth quarter on present allocations. By re-programming from the fourth to third quarter, we will at least be able to maintain the work load, keep the employee morale to an acceptable level and retain the Indian support and confidence which we are gaining and hope to firmly establish.

FOURTH QUARTER

Using the figures of the Third Quarter as a rough guide for the fourth quarter, the balances would appear approximately as follows:

	<u>Regular Salaries</u>	<u>Other Exp.</u>
	\$ 2,721.00	Fixed Charges
		Clearing Acct.
		\$ 370.00
Plus Minus balance	\$2,721.00	\$ 370.00
	<u>7.75</u>	Plus Minus Bal. <u>48.34</u>
-	\$2,728.75	- \$ 418.34

Funds needed to continue Branch of MITP for the fourth quarter, not less than \$3,147.09, Salaries and other expenses.

The situation is serious. I am confident that you are as cognizant of this as we are at the Agency level. Our expenditures have been for necessities only. The fact that we have already subsidized the Land and IIM by the purchase of postage and supplies have placed us in a position where I, firmly believe we could be administratively censored or criticized.

If your office has reached an administrative decision, we would appreciate your advising us to that extent, that we may make our plans for the future accordingly. If it becomes necessary to curtail, limit or terminate the services of this Branch, our knowledge at the earliest possible date will allow us to cushion and prepare for that date.

Your comments and suggestions with reference to this situation will be appreciated. Without knowledge of your planning for the future and with our present claims being disallowed, it will be necessary that I take immediate administrative action here, for I am not going to over obligate any funds while in this office.

J. W. Wellington
Superintendent

JWW:al

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
Aberdeen Area Office
820 South Main
Aberdeen, South Dakota

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MEMORANDUM

October 13, 1956

To: Superintendent, Standing Rock Agency
From: Office of the Area Director
Subject: IIM Overdrafts

This has reference to your letter of October 10, 1956, and our discussion Friday October 12, 1956, concerning the IIM accounts and the overdrafts in the accounts that were brought to light by recent audits.

You questioned the advisability of continuing the drawing of checks against the various accounts because of the present condition of the A and E records, you also did not feel free to draw checks that would create overdrafts in the accounts.

You are advised to continue the operation of the Individual Indian money section as in the past but every precaution should be exercised to satisfy yourself that the accounts are accurate according to present available information. Transfers of the accounts by journal voucher should be made to effect the overdrafts and checks shall be drawn to the rightful owner if they insist that their money be disbursed. The journal voucher transfers are necessary in order to have the accounts reflect a true status. As they now exist there is no evidence in the reports made to this office that overdrafts are in the accounts and consequently we have a distorted set of records. Both the General Accounting Office and Indian Service Auditors were very much concerned about the way we were handling these transactions and instructed us verbally to correct the accounts.

We discussed the possibility that a bill could be made, if, and when, the check was drawn to the rightful owner. We have now determined that a bill should not be issued. You should however, prepare a memorandum for the 139b jacket file stating the overdraft exists and of course full information should be typed on the Individual Indian money ledger. Copies of the memorandum should be placed in the bill file and distributed to the various branches so that all concerned will be aware of the situation. A letter should be sent to each individual having an overdraft in an attempt to collect the money. This documentary evidence should be placed in the 139b jacket file for future reference.

This will give you the authority to continue the operation of the bank but if any further clarification is required please advise.

Sincerely yours,

/s/ L. P. Towle
Assistant Area Director