

Finance  
7792/1911  
T.F.M.

DEPARTMENT OF THE INTERIOR

OFFICE OF INDIAN AFFAIRS

WASHINGTON

Emergency Fund.

MAR 15 1911

FOR FILE.

Mr. Moses Friedman, Superintendent,  
Indian School, Carlisle, Pennsylvania.

FILED BY C. P. F.

Sir:

Referring to your letter of January 28, 1910, concerning the Emergency Fund now in your hands, you are informed that March 10, 1911, the First Assistant Secretary of the Interior authorized the transfer of this fund to "Miscellaneous Receipts, Class IV;" also any similar funds which may come into your hands in the future.

7792/11  
Friedman  
220

On your account current for the third quarter you will charge this Emergency Fund with the amount to your credit under that head when you receive this letter, and credit "Miscellaneous Receipts, Class IV," with the same amount. These funds will therefore be available for disbursement by you under section 291 of the Regulations, as amended February 17, 1911.

Please acknowledge receipt of this letter.

Respectfully (Signed) C. F. Hauke,

Second Assistant Commissioner.

Wx - 14.

Finance  
7792-1911  
J Y H

DEPARTMENT OF THE INTERIOR,

OFFICE OF INDIAN AFFAIRS.

WASHINGTON.

MAR -3 1911

Recommendation  
disposition of  
Carlisle Emergency  
Fund and similar  
slush accruals.

FILED BY C. P. F.

FOR FILE

The Honorable

The Secretary of the Interior.

Sir:

I have the honor to invite your attention to a practice which prevailed for a number of years in some schools of the Indian Service of confiscation by the Agents or Superintendents of earnings left by students who ran away from school. These confiscations were converted into slush funds which were utilized by the Agents and Superintendents in purchasing incidentals and miscellaneous articles, for the schools and students, which were not otherwise provided for.

These moneys were not taken up in the accounts current of the officials, consequently the Indian Office did not exercise any supervision over their disposition; this function being intrusted, by custom, to the respective Agents or Superintendents.



Realizing the inconsistency of these practices, the Office took steps in 1908 to have such confiscated and unidentified moneys taken up by the accountable officials and the return made of such amounts to all the students who could be located and whose claims could be authenticated by such records as then existed.

In addition to the foregoing, an Office circular has been sent to the various Superintendents again directing their attention to the requirements of the law with respect to accounting for all moneys coming into their hands, and further directing that every possible effort be exerted to return to run-away pupils any earnings due them or saving which they may have deposited for safe keeping.

However, there are still moneys of this description in the hands of Disbursing Agents which it is the desire of the Office to have taken up in their accounts in such a manner as will permit of an administrative check on their disposition and of the prescribed audit by the Treasury Department. There are also isolated instances where accountable officers have taken up, in their accounts unidentified individual moneys, which have come into their hands from one source and another, under headings

which appear to them appropriate but which should not be disbursed until they are authoritatively designated under one of the prescribed classifications covering miscellaneous receipts of moneys by accountable Indian officials.

It is with the view, therefore, of relieving accountable officers of the burden of carrying inactive and unnecessary balances which only tend to increase their liability without deriving any compensating benefit therefrom and for the purpose of providing a regular, lawful, and uniform procedure by which these small unidentified accumulations of money may be disposed of by the officials who hold them, that the following recommendation and remedy is submitted. For the purpose of illustration, the following concrete case, which embodies all the features of the foregoing, is submitted:

In the Carlisle Indian School, as well as in others, a practice prevailed in former years of holding the earnings belonging to "run-away" pupils who were not apprehended and returned. As these were not public funds, the Superintendent was not required to account for them. In the course of fifteen or twenty years the moneys thus accumulated by the Superintendents of this institution reached a total of \$1,202.46, which, in 1908, was found



to be in the hands of Superintendent W. A. Mercer, who, upon the advice of an Inspector, issued instructions that these moneys should not be used for support of students and other school expenditures, and directed that they be taken up in his accounts and designated as Emergency Funds.

In explanation of the origin of this account and efforts made to equitably dispose of it, Superintendent Friedman of the Carlisle School advises that:

There are no definite records showing to whom the money yet on hand should be paid, and there is no way of ascertaining such information. Even when students have made requests for money formerly left here by them, the consideration of their claims had to be largely a matter of guesswork.

During the administration of Major Mercer, and after being carefully considered by Inspector McConihe, it was found to be utterly impossible and not at all feasible to attempt to apportion the funds remaining on hand among those students whose earnings had contributed to it and an original amount of \$1,202.46 was taken up as Emergency Funds as before stated. This amount was turned over by Major Mercer to Supervisor Dickson, temporarily in charge of Carlisle. A similar amount was turned over to me by Supervisor Dickson, which was later reduced by returning amounts to several runaway boys whose accounts were of such recent date that there was no question about the claims presented.

On June 30th, 1909, an amount of \$1,089.66 was deposited in a local bank and on November 23rd of 1909 an additional \$50.00 was added. Since that time the Funds have been drawing interest at 3 per cent per annum and the total amount is now \$1,139.66.



As the money represented by this Fund can not be apportioned among the students whose earnings are represented I recommend that the entire amount be expended in providing, for students who have no funds, necessities such as glasses, dental work and similar requirements not otherwise provided for, and ordinarily not intended that Support Fund shall stand, and can not stand. Such use would be a legitimate expense and a legitimate use by deserving students, and I believe it would be the proper use to make of the Fund.

It seems that there is but one other way to hypothecate the Funds, and that is to turn them into the Treasury of the United States. I believe, however, that under the circumstances such a course of action is not necessitated and that the Funds should be expended as I have recommended.

While concurring in Superintendent Friedman's recommendation as to the disposition of these moneys, it is believed that practically the same end could be accomplished by transferring the amount now held by him as Emergency Funds to "Miscellaneous Receipts, Class IV, School". In addition to the quoted statements from Superintendent Friedman's communication, he has verbally assured the Office that he has exhausted every available means to ascertain the respective amounts left by individual pupils as well as the whereabouts of former students whose earnings were contributed to this Fund, with the view, if possible, of distributing at least a portion, if not all of the amount, to the original involuntary contributors.

In view of the existing condition, it is believed that under the provisions of paragraphs 289, 290, and 291, of the Indian Office Regulations, 1904, the amount now carried in Superintendent Friedman's account could be transferred and taken up as "Miscellaneous Receipts, Class IV, School", and used for the purposes therein provided. This procedure is, therefore, recommended and submitted for your consideration, which, if favorable, it is desired to extend the procedure to analogous cases in the Indian Service.

Respectfully,

3-WEA-2

*R. G. Valentine*  
Commissioner.

Approved MAR 10 1911

*[Signature]*  
First Assistant Secretary.  
*W. G. J.*



H

Finance  
W B S

DEPARTMENT OF THE INTERIOR  
OFFICE OF INDIAN AFFAIRS

WASHINGTON

Circular #511.

March 4, 1911.

Accounting for  
all moneys.

FILED BY C. P. F.

To All Disbursing Officers  
of the Indian Service.

Under the act of July 1, 1898, which provides that Indian agents "shall account for all moneys coming into their hands as custodians from any source whatever, and be responsible therefor under their official bonds," all disbursing officers are required to include in their regular accounts individual Indian moneys or miscellaneous receipts of any class or kind, and such officers will take notice that anything short of the strictest compliance with the law will subject the offending official to severe consequences.

In this connection Superintendents and other officials of the Indian Service, are directed to exert every reasonable effort to return to any "runaway" pupil earnings he may have due him or savings he may have deposited for safe-keeping.

Please acknowledge on the inclosed card the receipt of this circular.

Respectfully,

*R. G. Valentine*

MRH-2

Commissioner.





DEPARTMENT OF THE INTERIOR.

Finance-  
J Y H

UNITED STATES INDIAN SCHOOL,

CARLISLE, PA.

Emergency Funds.

January 28th, 1911.



The Honorable,  
Commissioner of Indian Affairs,  
Washington, D. C.

FILED BY C. P. F.

Sir:

I wish to bring to the attention of the Office an amount of money held at this school and known as Emergency Funds. Such an amount was accumulated from individual Indian moneys by adding to it from time to time earnings left by students who deserted from the school, which, I believe, was a general custom followed in former years at all Indian schools.

During the administration at this school of Major Mercer, instructions were issued to the effect that such funds should not be used for support of students and other legitimate school expenditures, and at the suggestion of Inspector McConihe, such an amount was taken up as Emergency Funds.

X  
There are no definite records showing to whom the money yet on hand should be paid, and there is no way of ascertaining such information. Even when students have made requests for money formerly left here by them, the con-

-2- Commissioner of Indian Affairs.

sideration of their claims had to be largely a matter of guesswork.

During the administration of Major Mercer, and after being carefully considered by Inspector McConihe, it was found to be utterly impossible and not at all feasible to attempt to apportion the funds remaining on hand among those students whose earnings had contributed to it and an original amount of \$1202.46 was taken up as Emergency Funds as before stated. This amount was turned over by Major Mercer to Supervisor Dickson, temporarily in charge at Carlisle. A similar amount was turned over to me by Supervisor Dickson, which was later reduced by returning amounts to several runaway boys whose accounts were of such recent date that there was no question about the claims presented.

On June 30th, 1909, an amount of \$1089.66 was deposited in a local bank and on November 23rd of 1909 an additional \$50.00 was added. Since that time the Funds have been drawing interest at 3 per cent per annum and the total amount is now \$1139.66.

As the money represented by this Fund can not be apportioned among the students whose earnings are represented I recommend that the entire amount be expended in providing, for students who have no funds, necessities such as glasses, dental work and similar requirements not otherwise provided for, and ordinarily not intended that Support Fund shall



-3- Commissioner of Indian Affairs.

stand, and can not stand. Such use would be a legitimate expense and a legitimate use by deserving students, and I believe it would be the proper use to make of the Fund.

It seems that there is but one other way to hypothecate the Funds, and that is to turn them into the Treasury of the United States. I believe, however, that under the circumstances such a course of action is not necessitated and that the Funds should be expended as I have recommended.

X  
Very respectfully,

HKM.

*M. G. Sullivan*

Superintendent.