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DEFINITION OF RESPONSIBILITIES

COMMUNITY ENTERPRISE DIVISION

Responsibility of: Community Enterprise Superintendent

(Following list of suggestions is intended to provide means of establishing temporary stores. This temporary organization should be replaced as soon as practicable by permanent group.)

1. Determine in consultation with the housing superintendent available space for centrally locating temporary stores.

2. Provide for building or buildings to be used as temporary stores. (Recreation building suggested.)

3. Design and lay out shelf and counter arrangement in stores.

4. Arrange for rental (and possible future purchase) of cash registers.

5. Contact wholesalers in drug, dry goods, groceries, soft drinks, ice cream, and milk, in order to insure establishment of credit and certainty of delivery at time desired.

6. Check to insure sufficiently heavy wiring to store buildings to carry load of refrigerator boxes and cases, cash registers, added lights, et cetera.

7. Arrange for water connections either into or adjacent to building in order that building may be cleaned.

8. Requisition or purchase necessary operation supplies such as brooms, mops, brushes, rags, hose, et cetera.

9. Provide necessary desks and tables for use of manager and Japanese bookkeepers and accountants.

10. Arrange with wholesalers to either rent or loan equipment such as ice boxes, ice cream storage compartments, cooler boxes, et cetera.

11. With the Fiscal Officer draft a temporary accounting procedure.

12. Contact bank in vicinity of project in order to facilitate establishment of Community Enterprise bank account following opening of stores.

13. Where store manager has been selected and included in the advance group he should be placed in immediate charge of the store upon his arrival. If a store manager does not arrive in the advance group, a temporary manager should be appointed.

14. Secure the assignment of clerks and helpers from Placement Officer.

15. In conference with Project Director, assist in the organization of a temporary Enterprise committee to hold office and make decisions, etc., pending the formal organization of the permanent committee.

REPORT OF OFFICE OF PROJECT ATTORNEY ON

ENTERPRISES WITHIN THE PROJECT

I PRIVATE ENTERPRISES PROHIBITED

It has been established by an Administrative Instruction issued by the W. R. A. Director that private enterprises within the Project area are prohibited.

Reference: W. R. A. Administrative Instruction No. 26, August 25, 1942. Section IV.

"Private enterprises for the sale at retail of consumer goods and services to center residents shall not be permitted."

II NUMBER OF EVACUEE ENTERPRISES NOT LIMITED

There may be established temporary consumer enterprises within the project, and the number of such is not restricted. The only qualification is that such temporary enterprises be operated by the evacuees under the general supervision of the Project Director.

Reference: W. R. A. Administrative Instruction No. 26, August 25, 1942, Section II.

"Certain consumer enterprises must be established at the time each center is opened in order to serve the needs of the residents from the outset. Such enterprises may be stocked and operated by the evacuees on a temporary basis, under the general supervision of the Project Director, until a permanent Consumer Cooperative Association of residents can be organized to take over the temporary enterprises."

III TEMPORARY ENTERPRISES MAY BE OPERATED ONLY BY EVACUEES

These temporary consumer enterprises may be operated only by the evacuees, and all assets of such enterprises belong to the community. There can be no temporary community enterprises operated by private individuals.

Reference: W. R. A. Administrative Instruction No. 26, August 25, 1942, Section II-D

"The existing net worth of the temporary community enterprises now in operation on certain relocation centers belongs to the evacuees. This fund shall be paid over in full to the permanent Consumer Cooperation Association upon its organization."

To : All Project Directors
Assistant Project Directors in charge of Community Management
Project Attorneys and
Auditor-Supervisors

Subject : Guide for Auditor-Supervisors.

The attached Guide for Auditor-Supervisors has been prepared by the Business Enterprises Section, Community Management Division. It differs from and does not supersede Manual Section 30.7. This Guide sets forth, in considerable detail, the work program to be encouraged at the various centers. It should be regarded only as a work guide for Auditor-Supervisors working out of the Business Enterprises Section of the Washington Office.

Copies are being furnished to interested appointed staff.

D. E. Meyer
Director

WAR RELOCATION AUTHORITY

Washington

Guide for Auditor-Supervisors

Supplementing Manual Section 30.7.12

July , 1944

C-1639-p2-bu

Work with Center Officials

I After arriving at a center, an auditor-supervisor shall plan his work with officials at the center according to the following outline.

Project Director

(A) First, he should take immediate steps to confer with the Project Director. At this conference he should outline the specific work program which he has in mind and will undertake during the course of his visit. A general discussion with the Project Director should revolve around current problems of the business enterprise from the Project Director's point of view.

Assistant Project Director

(B) The auditor-supervisor should then make arrangements to meet with the Assistant Project Director in charge of Community Management. This meeting will, no doubt, bring out a more detailed review of the current position of the Enterprise from an administrative standpoint.

Project Attorney

(C) The auditor-supervisor should then meet with the Project Attorney for a general review of the legal position of the Enterprise, including discussion of the amendment or revision of operating and rental agreements, legal procedures with respect to income and other taxes, amendment and revision of existing organization documents, legal problems raised by the operations of the Enterprise and legal problems in connection with liquidation.

Executive Secretary and Executive Cabinet

(D) Following interviews with members of the center administrative staff, the auditor-supervisor should consult with the Executive Secretary of the Business Enterprise. This meeting should result in a discussion of the over-all position of the Enterprise from the standpoint of its administration. The auditor-supervisor should request the Executive Secretary to arrange a meeting with the Executive Cabinet. This group should consist of the Executive Secretary, General Manager, Treasurer, President and Vice-President. A meeting with the Cabinet should include a resumé of the auditor-supervisor's work during his stay at the center and an intensive discussion of various problems with those officials in order to define, as completely as possible, the commercial, fiscal and administrative position of the Enterprise.

Board of Directors

(E) The Executive Cabinet should be requested to arrange a meeting with the Board of Directors. The auditor-supervisor should bring out the following points when meeting with the Board:

(1) An explanation of his functions and of the specific plan which he expects to

encourage and implement at the center, with the help of Enterprise personnel.

(2) An outline of the reasons for an educational program.

(3) A discussion on the general subject of merchandising and buying with a specific reference to the New York Buying Office.

(4) A review of the financial and business position of the Enterprise.

(5) Arrangements for a meeting with the Board of Directors to take place just before the auditor-supervisor's departure from the center to discuss his personal diagnosis of the Enterprises' position and his recommendations and suggestions to the Board for its consideration.

II Examination of Educational Setup

When the auditor-supervisor is ready to review the educational and organizational status of the Enterprise, he should examine the following aspects of the organization's development:

(A) The nature and type of the Enterprise employee organization.

(B) Plans and policies relative to the training of Enterprise employees in standard cooperative principles and practices.

(C) The extent to which Enterprise employees understand cooperative methods and possible ways and means of utilizing this knowledge to bring about a better understanding of the Enterprise on the part of the general center population.

(D) The part played by Enterprise employees as a group in influencing the adoption of constructive policy by the Enterprise.

(E) The nature and adequacy of information made available by the Enterprise to its employees generally.

(F) The steps taken by the Enterprise or the employees themselves to develop employee recreation and entertainment activities.

(II-G)

The appointment of an Education Director.

(H) The appointment of an Education Committee and its functioning.

(I) The Cooperative newspaper and its usefulness in the educational effort of the Enterprise.

(J) A thorough examination of the Enterprise's educational policy, if any exists.

(K) An inquiry into the structural and functional division of authority between the commercial, fiscal and administrative operations of the enterprises.

(L) The extent of effective control exercised through the delegate system by the membership.

(M) The extent to which the individual member participates in committee activity.

(N) The use of visual educational methods, e.g., the use of posters, films, pictorial pamphlets and other educational aids falling into this category.

(O) The composition and distribution of cooperative literature with particular attention to the encouragement of Japanese translations.

(P) A detailed study of the agenda, if any exist, for block meetings, meeting of delegates and Board members.

(Q) The source, type and adequacy of information relative to the activities of the Enterprise made available to the delegates.

(R) The discussion value of such material at regular meetings.

(S) The nature of the relationships existing between the Enterprise and other center organizations.

(T) Enterprise educational policy as it relates to community organizations in general.

(U) The extent to which the Enterprise has considered or developed a Cooperative library sistem for the use of its members and the population in general.

(III)

Financial and Business Position of Enterprise

In examining the financial and business position of the Enterprises the auditor-supervisor shall check the following:

(A) Ratio of current assets to current liabilities.

(B) Cash position of the Enterprise.

(C) Merchandise inventories and stock turn.

(D) Rate of depreciation on fixed assets.

(E) Deferred assets.

(F) Current liabilities .

(G) General Reserve fund.

(H) Operating statement.

(I) Bonding and insurance.

(J) Cash control system.

(K) Stock control system

(L) Disposal of dead stock.

(M) Duties of audit committee.

(N) Auditing.

(O) Curtailment of services.

IV Examination of Merchandise Buying

In examining merchandise buying practises of the Enterprise the auditor-supervisor shall check the following:

(A) Possibility of closer cooperation between the center co-op and the business service office on matters of slow moving merchandise, priorities, rationing problems.

(B) Completion of Master Merchandise check-list:

(1) Type of merchandise.

(2) Stock on hand.

(3) Cost price.

(4) Retail price.

(5) Source of supply.

(IV)

(B) (6)Approximate quantity obtainable per quarter.

(7)New goods desired but not in stock.

(8)Credit references.

(C) Examination of Warehouse Administration.

(D) Listing of Surplus Commodities.

(E) Determination of degree of efficiency of store and service arrangement and management.

(F) Relationship between the Enterprise and the WRA Procurement Officer with regard to priority problems.

(G) Examination of existing situation with respect to sugar allotment in county.

(H) Ration problems peculiar to the relocation center.

(I) Attitude toward establishment of regular market survey.

(J) Type of informational material desired from the business service office.

(V) After an examination of the educational activities, facilities and needs, suggestions of the auditor-supervisor should be made along the following lines:

Education Program

(A) The auditor-supervisor should, if necessary, encourage the Enterprise to establish and implement an educational program. This program should be supervised by an Educational Director and carried out by the education committee. The auditor-supervisor should assist in the preparation of the education program and, if the Board so desires, the selection of the education committee. The Board of Directors should be encouraged to place all of its information machinery and personnel within the framework of the Department and under the supervision of the Education Director.

Presentation of Program to Board

(B) When the Education Department evolves a program and the methods by which it is to be implemented, the auditor-supervisor should meet with the Board of Directors, along with the Education Director, and assist the Education Director in presenting the proposed education program to the Board. Following this meeting with the Directors, the auditor-supervisor should meet with the

(B) education staff, review the developments arising out of the Board meeting and assist in the actual launching of the program agreed upon.

Cooperative Newspaper

(C) If a Cooperative newspaper exists, the auditor-supervisor should examine its policy with relation to its educational value, the machinery for distribution and its merit in the community. When discussing the Federation of Business Enterprises as an aid to the various Center enterprises in their educational activities, the possibility of obtaining news releases and other educational materials from the Federation would be explored exhaustively.

Development of Indigenous Approach

(D) The auditor-supervisor should make it a point to meet regularly with the Education Director and the Education Committee. He should also meet occasionally with other appropriate Center groups, in order to make available their thinking and suggestions for incorporation into the overall educational effort of the Enterprise.

Educational Budget

(E) The Education Director and Committee should be brought together for the purpose of preparing a budget covering proposed expenditures for submission to the Board of Directors. This budget should include the requirements of the Information Officer and staff, if any.

Relationship to Community Organizations

(F) The auditor-supervisor should encourage the education department to work out a systematic educational plan for existing community organizations. This might be initiated by inviting officers or representatives of the various community organizations to sit in on educational meetings, short training programs and employee group meetings.

Informational and Educational Group Meetings

(G) Consideration should be given to educational group meetings of an informational and recreational nature. Such meetings should include short talks on certain phases of the cooperative enterprises or the showing of cooperative films, an entertainment program and, if deemed feasible, the dispensation of door or other prizes. This type of approach may be important in that it should result in better attitudes among the general population toward the enterprises and facilitate new friendships and interests.

Co-sponsorship of Programs

(H) The auditor-supervisor should encourage the institution of co-sponsorship programs with other community organizations. This may require the establishment of a donation policy but care should be taken to see to it that the Enterprise receives some worthwhile educational returns for grants of this nature.

(V)

Use of Visual Aids

(I) Increased emphasis should be placed on the employment of visual aids in promoting cooperative education at the Centers. The auditor-supervisor should realize that a Relocation Center, differing as it does from a normal outside community, will require the utilization of techniques by the business enterprise that will bring its educational program to residents with the least possible effort on their part. A visual education program may be adopted, after an exhaustive study of all the possibilities inherent in this approach. He should encourage the preparation and exhibition of attractive posters, related wherever possible to specific services. He should also promote interest in the preparation of pictorial pamphlets narrating the actual case history of the local Co-op enterprises and arrange for the taking of pictures to be interspersed throughout the publication. Literature of this nature should be confined in its distribution to Block Managers' offices, Recreation Halls and headquarters of other local community organizations. The subject matter of this type of publication may also include cooperative developments at other Centers, outside cooperatives and actual statements and pictures of relocated residents who are employed in various cooperative wholesales and other cooperative organizations throughout the country.

Motion Pictures

(J) Wherever possible, the Education Director should be encouraged to arrange for the showing of cooperative films, under the heading of short subjects, when films for purely recreational purposes are shown at the Center. The Education Director may contact the offices of the Federation of Business Enterprises for assistance in the procurement of cooperative films.

Development of Employee Organizations

VI. The auditor-supervisor should give particular attention to the organization of Enterprise employees. Employees of the various business enterprises have made encouraging progress in learning about cooperative principles and about their local cooperatives. An effort should be made to increase their opportunities and all assistance should be given in setting up machinery which will enable its members to make their maximum contribution to the welfare of the organization.

Committees and Training

(A) A useful employee organization should result in the organization of committees. The existence of such committees should generate a more active employee interest in the enterprises. The auditor-supervisor, in consultation with the Executive Cabinet, should give some thought

(A) to the formulation and implementation of a policy designed to make provision for an employee apprentice system. When considering this type of policy the Supervisor should arrange meetings between the Center Personnel Director, the Director of Adult Education (WRA) and himself, to discover in what way the Adult Education Section could assist the Enterprise in this undertaking.

Formal Classes

(B) The institution of formal classes for the employees of the Enterprise should be encouraged. These classes should, for the most part, be technical in nature and given by key officials of the Enterprise staff. The education department may also be encouraged to take advantage of cooperative business correspondence courses if the Education Director can satisfy himself that there is sufficient interest to justify the expenditure.

Social Programs

(C) The development of a social program within the framework of an employee organization should not be neglected. These social activities should make some contribution to the educational work of the Enterprise.

Educational Functions of Employees

(D) Employee organization should bring out a desire on the part of the employees to promote the cooperative idea. Employees may be encouraged to take an active part in the distribution of leaflets and other suitable cooperative literature to members and other patrons of the Enterprise.

Modernization of Enterprises

(E) The modernization of the Enterprise goods and service shops might be very pleasantly and effectively accomplished by introducing a competitive spirit among the employees of the various places of business.

Debates, Forums, etc.

(F) An organization of employees should be made as interesting as possible. In addition to healthy competition between units, there should be periodic debates and forums organized to stimulate and sustain interest.

Financial and Business Position

VII. In order to satisfy the Authority that the business affairs of the Enterprises are efficiently and honestly administered and in the best interests of center residents, that essential services are maintained and that adequate accounting systems and controls are in use, it shall be the duty of the auditor-supervisor to:

(A) Make a brief analysis of the Enterprise's financial condition by determining the ratio of current assets to current liabilities. This ratio should be at least 3 to 1 at all times, even after payment

Current Ratio

(A) of any declared patronage dividends, unless such payment is deferred through the issuance of Certificates of Indebtedness or other means. He should also determine whether any current patronage dividends payable are carried as "members equities" on the Balance Sheet which shall be considered as Current Liabilities to arrive at a correct ratio.

Cash Position

(B) Advise the management that for a sound cash position, available cash should be equal to the total payables and total undistributed net earnings.

Inventory and Stock Turn

(C) Check whether Merchandise Inventories are too high for the volume of business done, resulting in the possible accumulation of a large amount of dead stock or unsaleable merchandise or too low properly to meet the demands of the residents with their essential needs. The proper size of the Merchandise Inventory is usually determined by the annual stock turn. The stock turn, in the Enterprises, should be at least twelve times per year or a complete stock turn each month.

Depreciation of Fixed Assets

(D) Check the rate of depreciation on Fixed Assets. Depreciation Reserves should be sufficient to avoid losses in the event of quick liquidation. All such fixtures as shelving, counters, display tables and stands that have been constructed at the Center to meet specific needs, may have very little sale value, if any, in the event of liquidation. These should be depreciated completely as quickly as possible. It is also advisable to charge off small tools directly to expense rather than be carried as assets but to maintain a checklist on them for record purposes.

Deferred Assets

(E) Make analysis of assets under the deferred grouping. Such supplies as office and bookkeeping forms, letterheads and other specially printed stationery that may have use value only to the Business Enterprises, should be charged directly to expense.

Current Liabilities

(F) Determine accuracy of Current Liabilities. Check with the Accounting Department whether all invoices for goods received during the month are included among the payables and that all expenses accrued, such as salaries, rent and taxes have been considered. Some accountants make entries only after receipt of invoice, although the goods may have been sold for the month and covering invoice not received until the following month.

Reserve Fund

(G) Check amount of General Reserve Fund, the amount allocated to members of the Reserve Fund and the unallocated amount. Since that portion of the Reserve fund that has already been allocated to members is a liability, the total unallocated portion of the General Reserve Fund must be large enough to cover any possible emergencies such as losses incurred in the disposal of merchandise stocks, fixtures and equipment during liquidation and all expenses during the process of liquidation.

Analysis of Operating Statement

(H) Analyze the operating statement using the monthly comparative analysis issued by the New York Business Service Office to determine any operating inefficiencies or unusual conditions. The auditor-supervisor shall compare gross margins in the merchandise departments and expenses, broken down as to selling, general and administrative. Where any unusual condition exists in any of the departments, it shall be called to the attention of the management.

Bonding and Insurance

(I) See that surety bonds covering people responsible for Business Enterprise funds have not been allowed to lapse with changes in personnel and that fire insurance policies are maintained in force. Where the insurance rates are abnormally high the field supervisor shall investigate whether or not lower rates are available through other insurance companies or by installation of additional safety devices.

Cash Control

(J) Check cash control system in use. Where cash registers are reset daily by store managers, suggest reset key be kept in possession of some responsible member of the Audit Committee, who shall reset the registers only monthly at which time he shall make a record of the cash register reading and of the control counter number. The monthly cash register readings and control numbers of each cash register should be turned over to the auditor upon his arrival for use in connection with his audit.

Stock Control

(K) Examine the stock control system. Where no adequate stock control system is in use, the auditor-supervisor shall advise and assist the management in taking immediate steps for the installation of such a system for their own protection as well as that of the membership.

(L) Discuss the matter of dead stock with the Audit Committee and explain how the stock control system may be used to determine which items move slowly or are

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(L) Discuss the matter of dead stock with the Audit Committee and explain how the stock control system may be used to determine which items move slowly or are

Disposal of Dead Stock

(L) unsaleable. As most buyers do not like to admit mistakes in bad buys and managers are reluctant to assume losses from accumulated dead stock, it shall be the duty of the Audit Committee to make recommendations to the Board of Directors on the disposal of such merchandise after each periodic check-up.

Duties of Audit Committee

(M) Discuss with the Audit Committee some of the functions that may be carried out by them to reduce the volume of work necessary by the Auditor and thereby reduce the cost of the Audit. Some of these are as follows:

(1) Supervise and take inventories of merchandise.

(2) Periodical spot-check of warehouse inventories with warehouse stock cards.

(3) Take monthly inventories at stores at retail prices.

(4) Compare a reasonable number of invoices and transfer invoices with merchandise on the shelves to determine if the retail prices marked on the invoices are the same as marked on the shelves.

(5) Compare a reasonable number of invoices and transfer invoices to determine if the cost prices marked on the invoices are the same as marked on warehouse stock cards.

(6) Check a percentage of the invoices to see if they are properly entered in the purchase and transfer journal and charged to proper departments.

(7) Meet with the Auditors upon his arrival and report on their work and during the course and upon completion of the audit, to receive further instructions.

Auditing

(N) Advise the Management that the visit of the Auditor-Supervisor is not to be considered a financial audit and that periodic audits should be continued by accredited auditing firms familiar with the Business Enterprise organization.

(VII)

(O) The auditor-supervisor shall discuss all other problems pertaining to business operation with the management and make necessary recommendations for a more liquid financial position. This is not to be taken to mean that a substantial reduction in the services offered by the cooperative, except where approved by a vote of the membership, is in accordance with the precepts of this Handbook.

Curtailment of Services

(VIII) (A) The New York Business Service Office shall compile and provide the auditor-supervisor with a merchandise checklist for the purpose of making a periodic survey of the purchasing and merchandising situation at each Center Cooperative. He shall present the form to the management at the time of his visit and request that the desired information be provided and that it be forwarded to the New York Business Service Office within two weeks time. Before leaving the Center he shall inquire of the management about the completion of the form.

Off-Center Relationships

Merchandise Checklist

(B) The auditor-supervisor should assist the local Enterprise in all matters pertaining to priorities. He should review with the management their purchasing problems to determine what types of merchandise and equipment are necessary to meet the essential needs of the residents and whether or not the Enterprise has been able to satisfy its needs in this respect. If not, he should assist the management in determining whether such merchandise and equipment can be secured through the extension of certifications or the filing of WPB forms as described under WPB regulations. The auditor-supervisor should assist the Enterprise in filling out the necessary forms and wherever feasible file the applications personally at the nearest Regional WPB office. He should also cultivate a satisfactory working arrangement between the WRA Procurement Officer and the Enterprise whereby the cooperative will have access to current priority information and will have the assistance of the Procurement Officer during the period in which there is no supervisor at the Center.

Priorities

(C) Rationing matters, wherever possible, should be handled with the local county OPA office. Problems peculiar only to the Centers should be discussed first with the local OPA office and if a satisfactory reply is not forthcoming, the problem should be referred to the

Rationing

(VIII)

(C) New York Business Service Office, which, after reviewing the problem, shall either contact the OPA in Washington for information or refer the matter back to the Enterprise with its suggestions. It shall also be the duty of the auditor-supervisor to assist the Enterprise in presenting its rationing problems to the local county OPA board and to advise the New York Business Service Office of any action taken and the results obtained. Supplementary advice and assistance will be furnished by the New York Business Service Office.

Surplus Merchandise

(D) In order to develop the highest possible degree of operational efficiency on the part of the center enterprises, the supervisor shall request the management of the Enterprise which he visits to furnish a list of surplus merchandise. This list should be forwarded to the New York Business Service Office for the purpose of compiling and distributing, periodically, a list of surplus goods on hand in each of the centers in order to promote a more effective turnover of the total merchandise stock at all centers.

Merchandise and Marketing Conditions

(E) Since the relocation centers are located in isolated areas far removed from the major sources of supply and since the management in most cases, because of their comparatively long residence in the centers, has lost contact with the rapidly changing market conditions, the New York Business Service Office shall endeavor to compile information concerning merchandise and market conditions that will enable the enterprises to keep abreast of market conditions and thereby more effectively to conduct their business operations. The auditor-supervisor shall discuss this matter with the management and forward their suggestions on this matter to the New York Office.

(IX)

Expansion of Federation of Business Enterprises

(A) The auditor-supervisor should discuss the Federation of Center Business Enterprises with the Board of Directors, with a view to its future development in the commercial and educational fields. With the curtailment of WRA supervision it may be that the Federation should be expanded so as to increase its services to the various center enterprises.

Financial Implications of Expansion

(B) If the wisdom of extending the services of the Federation is recognized and endorsed by the local organizations, then the local Enterprise should be encouraged to consider the financial implications of a more serviceable Federation, examine its future personnel requirements and also some arrangement that would enable all personnel to work in one office.

(IX)

(C) Funds for carrying on of new services by the Federation should be derived from the appropriate enterprises' branch or division. For instance, the educational services of the Federation should be paid for out of the educational funds voted at each project for this purpose. The auditor-supervisors should assist Education Directors in preparing their budgets in such a way as to clearly outline what assistance is expected from the Federation and what portion of the educational grant might profitably be turned over to the Federation for services rendered.

Sources of Funds for Expansion

(D) Through the Federation, participation by local enterprises in Co-op Congresses, Centennial Programs and National Co-op Educational Conferences should be encouraged.

Participation in Co-op Movement

(X) (A) When considering the structural set-up of center Enterprises, the auditor-supervisor should pay particular attention to the real function of committees. Committees should not be mere 'buffers' between the membership and the Board of Directors but should be activating bodies including as members as many of the block delegates as possible. It is probably advisable to reduce the number of committees and increase in size those committees which have a clear-cut function. The emphasis should be on actual committee work rather than on discussion. As an initial step the supervisor should encourage the Board of Directors to appoint a Committee on Committees to review the whole committee organization, define committee functions and to work toward the establishment of a sound committee system.

Study and Action on Committee Organization

(B) The relationship between the Congress of Delegates and the Board should be carefully examined. Congress, as the over-all policy making body, may be broken up into committees to study the specific aspects of the enterprises and bring its recommendations to its general meetings for discussion. In this way, Congress can debate and resolve matters of over-all policy more intelligently and convey such matters to the Board for its attention. This method should enable the Board to confine itself to its many executive responsibilities.

Congress Board Relationships

(C) It is the Board's responsibility to implement this policy in such a way as to fit it into the general operations pattern of the enterprises and to make all decisions with respect to the detailed application of such policy.

Board's Responsibility

(X)

Executive Cabinet's function

(D) The Executive Cabinet should be empowered by the Board to make routine decisions of a technical and administrative nature with respect to day-to-day operations and unforeseen developments. It should also be the Cabinet's function to plan Board and Congress of Delegates meetings.

Duties of Executive Secretary

(E) The Executive Secretary (see chart following) should supervise the work of all administrative staff. This should include the Education Director, Information Officer, Research Director and Personnel Director.

Commercial, Fiscal and Administrative Authority

(F) The auditor-supervisor should examine the lines of authority between commercial, fiscal and administrative operations. All differences which might arise between those various divisions should be resolved, first within the Executive Cabinet and then taken up with the Board of Directors. The division of authority between the commercial, fiscal and administrative operations has worked very well in those projects where it has been introduced and the adoption of this structural setup may therefore be encouraged at all Centers.

(Director)

August 4, 1944
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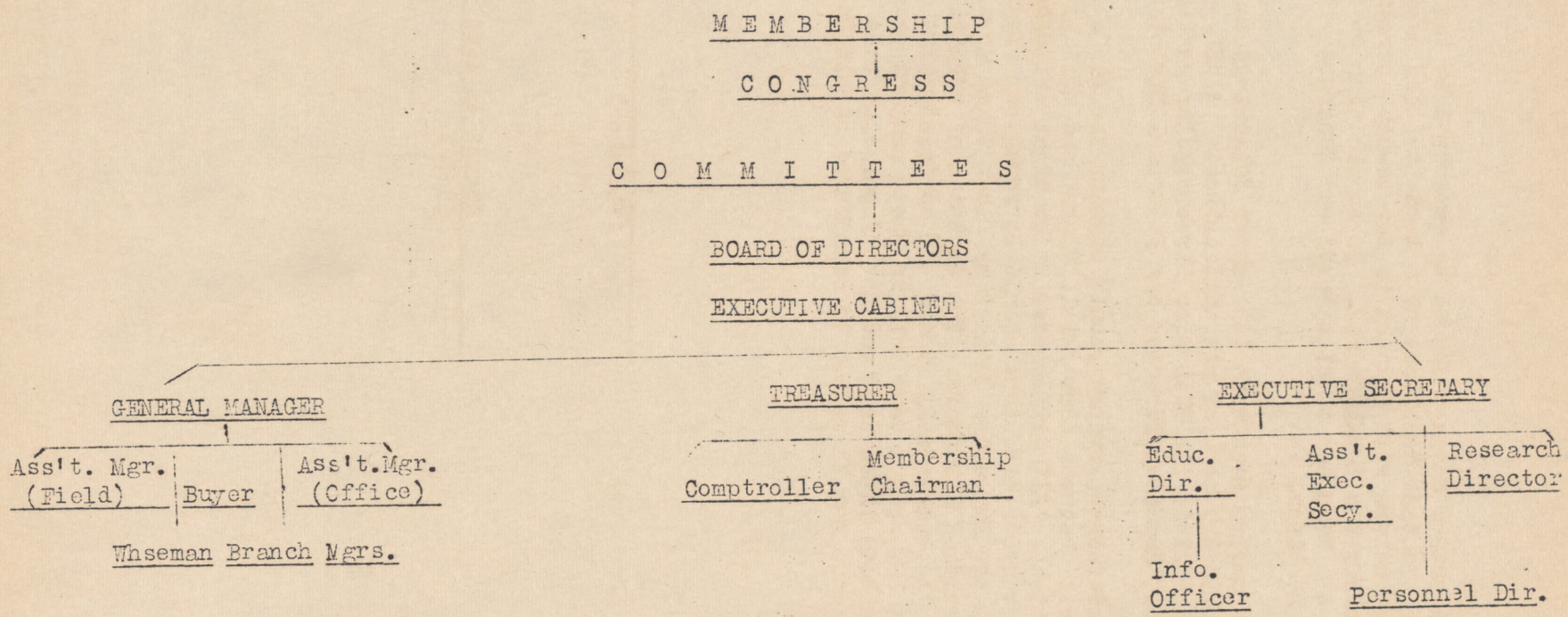

ADMINISTRATIVE NOTICE

Guide for Liquidation of
Center Business Enterprises

The experience of liquidating the Jerome Cooperative Enterprises, Inc. on closing the Jerome Center proved that much preliminary work is essential in the dissolution of a business enterprise at a relocation center. Careful planning and efficient management of the liquidation can avoid excessive losses and unnecessary inconvenience to the center residents in the closing process. It is, therefore, important that the Board of Directors and other officials carefully study and plan the dissolution of the business enterprise at each center as far in advance as possible.

The closing dates for the relocation centers have not yet been announced. Planning under this Administrative Notice should, however, be made on the assumption that WRA centers will be closed to evacuee residence not earlier than six months and not later than twelve months after revocation of the general exclusion orders. At least three months advance notice will be given of the closing of a particular center. See Manual Section 150.1.4-A.

1. The closing of the Business Enterprises at the relocation centers is primarily the responsibility of the evacuees. The War Relocation Authority, however, will give the Business Enterprises such reasonable assistance as they may require in their closing operations, especially in their relations with persons and agencies outside the centers. Since many of the activities of the Business Enterprises are geared closely to the administration of the centers, the Boards of Directors should keep constantly in touch with the Project Director on major problems of policy.

2. The closing of the Business Enterprises should be planned so that services can be rendered to the center residents as long as possible. Adequate time should be given, however, for the closing operations so that liquidation of the assets of the Business Enterprises can be completed and arrangements can be made for distributing the interests of the members before the center is closed.

3. As soon as possible, the Board of Directors should appoint one or more committees to prepare (1) a plan for a purchasing program for the remaining period during which the Business Enterprises will operate, and (2) a plan for the disposal of the inventory and the fixed assets of the Business Enterprises. The purchasing program and the disposal of inventories should be carefully planned to prevent excessive losses through last minute sales.

(a) A Committee should carefully study the needs of the center residents for the remaining period during which the center will be in operation and should plan the purchasing program

to meet as many of these needs as possible. It should, however, take into account the necessity for liquidating inventories as completely as possible before the Enterprises are closed.

(b) The Committee should study all long-term purchasing contracts and other commitments and recommend to the Board of Directors a plan for terminating them.

(c) The Committee should plan special sales to dispose of as much of the inventory as possible to the center residents and should make recommendations with respect to the price policies that should be followed in such sales.

(d) The Committee should make recommendations to the Board of Directors with respect to plans for asking wholesalers to accept the return of articles which will not be needed by the Business Enterprises in their operations for the remaining period.

(e) The Committee should investigate the possibility of selling to local retailers items which the Business Enterprises will not be able to dispose of through special sales or by returning them to the wholesalers. Before any bulk sales are made to local retailers or other persons, the Business Enterprises should consult the Project Attorney to ascertain whether they are legally required to comply with the Bulk Sales Law in disposing of goods to such local retailers or other persons.

(f) The WRA will assist the Business Enterprises in making appropriate arrangements with the OPA with respect to the disposal of shoes and other rationed items of which the Business Enterprises may have excess inventories.

4. A Committee should also be appointed to plan for the gradual reduction of Business Enterprises employees as business declines. An effort should be made to coordinate the personnel reduction policy of the Business Enterprises with that of the Administration so that an adequate number of employees will be available to both.

5. As early as possible after the announcement of the closing date of a center, the Board of Directors in consultation with the Project Director should set a date on which the operations of the Business Enterprises will cease. The Project Director should endeavor

to make arrangements for the continuance of as many as possible of the services needed for the center residents during the period after the closing of the Business Enterprises at the center. The Project Director may call upon the Board of Directors for recommendations with respect to arrangements that should be made for the continuance of services. Many of the needs of the residents at most centers can be met by the issuance of passes to nearby shopping centers. In order to minimize the number of such passes, group buying by evacuees should be encouraged.

6. The Business Enterprises should comply strictly with all applicable laws and all applicable provisions of their Articles of Incorporation and By-laws and other organizational documents in their liquidation and dissolution. Copies of the chief provisions of the laws under which the several Business Enterprises are incorporated, respecting dissolution, are attached as Exhibits A, B and C. There are numerous other statutory provisions, however, that should be taken into account, such as special statutes on handling shares of members who cannot be located, authority of Board of Directors following adoption of dissolution resolution, distribution of assets in kind, liability for improper distributions, filing certificate of dissolution after winding up corporate affairs, and the date of loss of corporate status. The Board of Directors should work closely with the Project Attorney on all plans and decisions which may raise legal questions.

(a) The Business Enterprises at the Gila River, Poston, Rohwer, Minidoka and Central Utah Relocation Centers are incorporated under the District of Columbia Cooperative Association Act and have qualified to do business in the States in which they are respectively situated. A copy of Section 36 of the District of Columbia Cooperative Association Act on dissolution is attached as Exhibit A.

(b) The Manzanar and Tule Lake Cooperatives are incorporated under the California Cooperative Corporation Act. A copy of the chief provisions of the California statutes on dissolution is attached as Exhibit B.

(c) The Cooperative at the Granada Relocation Center is incorporated under the laws of the State of Colorado. A copy of the chief provisions of the Colorado statutes on dissolution is attached as Exhibit C.

(d) The Heart Mountain Community Enterprises is unincorporated and is organized as a trust. The trustees in liquidating the assets of the Enterprises should comply strictly with all provisions

of the trust declaration and all applicable laws of the State of Wyoming.

7. Complying strictly with all applicable State and Federal laws, the following steps should be taken:

(a) The Board of Directors of each incorporated Business Enterprise should adopt a resolution recommending dissolution and directing the calling of a special meeting of the members, and should ask them to adopt a resolution to dissolve the corporation. The directors' resolution may be in the form quoted in the suggested membership resolution form given in 7 (b) below. The Project Attorney should be consulted on the date on which the membership meeting should be held. The By-laws and applicable laws should be carefully followed in calling a special meeting of the members for this purpose.

If required or permitted by law, the members should also be asked to select trustees to liquidate the assets of the Corporation and to perform such other duties as are imposed upon them by law or by the Board of Directors. Where permissible, it will be advisable to select trustees rather than rely on the Board of Directors to wind up the affairs of the Corporation, as persons who do not plan early relocation can be selected as trustees. The Project Attorney should be consulted as to whether the appointment of trustees to wind up corporate affairs is permissible. If trustees are appointed to liquidate the affairs of the Corporation, the resolution to dissolve, suggested below, should recite the selection of trustees and should empower them to close up the business, dispose of the assets and to distribute the available proceeds to the members in accordance with law.

(b) Some Secretaries of State, upon request, will supply official forms for use in dissolving a Corporation. The Board of Directors of the California and Colorado Corporations should request copies of the official forms. There are no official forms for use by Corporations organized under the District of Columbia law.

If no official forms are prescribed, the following is recommended for the resolution to dissolve to be adopted by the members:

WHEREAS, on the ____ day of _____, 194__, directors of the _____(company), by a majority vote of the whole board, at a meeting called for that purpose, did adopt a resolution in the words or the effect of the following:

"Resolved, That in the judgment of this board it is advisable and for the benefit of _____ company that the same should be forthwith dissolved; and to that end it is ordered that a meeting of the members be called for and held on the _____ day of _____, 194__, at _____ in _____ to take action upon this resolution; and further that the secretary forthwith give notice of said meeting, and of the adoption of this resolution, by including a copy of this resolution in the notice calling such special meeting of the members."

AND, WHEREAS the Secretary of the said_____ (company) did give notice of the meeting of the members called by said resolution as required by law and the said resolution.

NOW, THEREFORE, be it resolved, that the _____ (company) be dissolved, its business wound up, and its assets be disposed of in the manner provided by law.

Be it further resolved, that the board of directors be authorized, empowered and directed to take immediate steps to dissolve said _____ (company), liquidate its business and dispose of its assets and distribute the net proceeds, after payment of all liabilities, to the members, in the manner prescribed by law.

(c) The following notices should be filed:

(1) The Board of Directors or the trustees on dissolution of District of Columbia Corporations should, through their respective designated resident agents in the District of Columbia, file with the Tax Collector of the District of Columbia and with the Recorder of Deeds of the District of Columbia a notice of dissolution of the Corporation. Although the District of Columbia Cooperative Association Act does not specifically require such notice, it should, nevertheless, be filed as soon as the corporation is completely liquidated so that the Corporation will be relieved of the annual license fee imposed by Section 44 of the Act.

The notice of dissolution may be in the following form:

We, the undersigned, _____ and _____ _____, President and Secretary, respectively, of the _____, a Corporation formed under the District of Columbia Cooperative Association Act, do hereby give notice that at a meeting of the members of the said Corporation, duly called for the purpose of considering the propriety of dissolving the said Corporation, and held at _____on the_____day of _____, 194___, pursuant to notice given to the members in the manner provided by law for the calling of membership meetings for such purpose, the members, by a vote of more than two-thirds of the entire membership of said Corporation, ordered said Corporation to be dissolved.

We further certify that all debts owing by said Corporation have been fully paid and that its assets have been distributed as prescribed by law.

In Witness Whereof, we have made and signed this notice of dissolution, and fixed hereto the seal of said Corporation, this _____ day of _____, 194__.

Attest:

_____ Secretary

_____ President

(2) As soon as dissolution has been authorized by the members, each California Corporation should file with the Secretary of State a certificate stating that the Corporation has elected to wind up and dissolve and showing by what vote or consent such election was made. The certificate should be signed and acknowledged by the President or a Vice-President and Secretary or an Assistant Secretary, or by a majority of the Directors, or by at least three members authorized by the members to sign such certificate. A copy, certified by the Secretary of State, should be filed in the office of the County Clerk of the county in which the corporation's principal office is situated.

In addition, when the Corporation has been completely liquidated, all of its known debts and liabilities

actually paid or adequately provided for, and its known property distributed, a majority of the Directors should sign and acknowledge a certificate stating that the Corporation has been completely liquidated, its known assets distributed, any tax or penalty due under the Bank and Corporation Franchise Tax Act paid, and its other known debts and liabilities actually paid or adequately provided for, and that the Corporation is dissolved. Such certificate shall be filed in the Office of the Secretary of State and a copy, certified by him, shall be filed in the Office of the County Clerk of the county in which the principal office of the Corporation is located. The certificate should be in the official form prescribed by the Secretary of State.

(3) The Colorado Corporation should file a notice of dissolution signed by the President and the Secretary under the seal of the Corporation with the Secretary of State and with the County Clerk in every county in which the Articles of Incorporation were filed, and should publish a copy of the notice of dissolution in some newspaper in each of said counties for a period of six weeks, as required by law. The notice should be in the official form prescribed by the Secretary of State.

(d) The Corporation should terminate all licenses issued by the several States, including licenses to do business in the State issued to foreign corporations, sales tax licenses, and licenses for handling specific commodities, effective when such licenses will no longer be required. The Project Attorney should be consulted as to the date on which cancelations should be made.

(e) Each Business Enterprise should send such notices as may be required by applicable laws to the State Workmen's Compensation Board or State Industrial Accident Board. The Project Attorney should be consulted as to notices required by the several State laws.

(f) Each Business Enterprise, within 30 days after the adoption by the Corporation of a resolution or plan for dissolution, should render to the United States Commissioner of

Internal Revenue a correct return, verified under oath, setting forth the terms of such resolution or plan. The Business Enterprise shall also ask for copies of all forms on which additional reports should be filed. If not exempt, the Corporation shall file its final income and other tax returns, shall pay all Federal taxes (income, social security, excise, admissions, etc.) for which it is liable and shall file such other reports as may be required by the United States Bureau of Internal Revenue.

(g) Each Business Enterprise should pay all State and local taxes that it may owe and shall send a notice of dissolution to all State and local tax agencies. It shall file such reports as may be required by such State and local tax agencies.

(h) As early as practicable, each Business Enterprise should notify its creditors of the adoption of a resolution to dissolve.

(i) Each of the Business Enterprises should terminate its insurance policies effective on the date after which coverage will no longer be required.

(j) The Board of Directors and the Project Director at each center should mutually agree upon a termination date and shall terminate the operating agreement, rental agreements, including supplements thereto, and all service agreements between the Business Enterprises and the WRA.

(k) The Business Enterprises should terminate their affiliation with all other Cooperative Associations, including the Federation of Center Business Enterprises and other outside cooperative agencies, effective on such date as shall be determined by the Board of Directors. Affiliation with associations that will be asked to perform closing audits should not be terminated until such audits are completed, if the termination will interfere with securing audit services.

(l) The Business Enterprises at the several Relocation Centers should agree upon a plan for the termination of the agreement under which

the New York buyers are employed. In planning the termination of the agreement, the Business Enterprises should take into consideration the desirability of having representatives in New York to assist in terminating all long term purchasing contracts with New York firms, in settling accounts with such firms, and in purchasing scarce items that may be needed by relocating evacuees. The Business Enterprises also should consider the assistance the buyers can render in canceling contracts and settling accounts with wholesalers in other cities.

(m) The Business Enterprises should liquidate all outstanding investments, such as Government Bonds and shares held in other associations, in sufficient time to permit the proceeds of such investments to be distributed along with the other assets. All securities owned by the Business Enterprises should be examined to ascertain whether notice in advance of liquidation is required, and adequate notice should be given to permit receipt of the proceeds as early as needed.

(n) As soon as a Business Enterprise has been completely liquidated, its trustees or Board of Directors should send a notice of dissolution to the Federal Reserve Bank of the district in which it is situated, referring by number to the Special License issued to it by the Foreign Funds Control Division of the Treasury Department. A copy of the final audit of the Business Enterprise should accompany the notice. See WRA Manual Section 30.7.9-B.

8. The Business Enterprises, as early as practicable, should formulate and institute a well organized plan to encourage everyone holding cash register receipts to turn them in to the Business Enterprises so that current records can be established. Center residents who are relocating should be asked to inform the Business Enterprises of their relocation address, and future changes of address, until dissolution payments are made.

The Business Enterprises should endeavor to obtain the addresses of all persons who have relocated and who will be entitled to share in the assets of the Business Enterprise on dissolution. The Washington office of the WRA can furnish the Business Enterprises with the addresses of all evacuees who have relocated and who have kept the WRA informed of changes of address.

9. Community activities trusts or other associations have been established at most of the relocation centers and, in some of the trust declarations, the Business Enterprise at the center is designated beneficiary to receive the assets when the trust is terminated. The Board of Directors of the Business Enterprises at centers where such community activities trusts have been established should arrange with the trustees for the liquidation of the trusts in sufficient time to permit distribution of the proceeds along with other assets of the Business Enterprises.

10. Inventories should be taken and the books of each Business Enterprise should be closed at the end of the last operating period (the period between the date on which the books were closed for the last normal accounting period and the date on which the Business Enterprises ceases operations). Patronage refunds should be computed and allocated and reserves should be computed and set aside in precisely the same manner as for all previous normal accounting periods. Patronage refunds, however, should not be paid for this period until a final closing statement showing liquidation of assets and liquidation expenses has been prepared. It is necessary to hold the patronage refunds for this accounting period pending preparation of a final closing statement to make sure that adequate cash will be available to pay all outstanding liabilities and all liquidation expenses, including the establishment of a fund from which the trustees or Board of Directors can pay final expenses.

A separate closing statement of liquidation operations should be prepared to show final disposal of merchandise inventories, store and office fixtures, motor trucks and other assets. In preparing the statement, all expenses incurred during liquidation should be taken into account, as well as additional expenses anticipated for the period required for prorating, calculating and paying shares to members on final distribution and patronage refunds for the last operating period. These expenses will, in all probability, be paid by the appointed trustees or by the Board of Directors and will include such items as salaries of the accounting staff, payroll taxes, bank activity charges, telephone and telegraph services, office supplies, postage, etc. The Board of Directors should allocate a fund for final liquidation expenses. The amount of the fund should be determined by the amount of work and unfinished business remaining for completion by the trustees or the Board of Directors.

All applicable laws with respect to the payment of indebtedness and other liability and with respect to distribution of assets on liquidation should be strictly followed. Generally speaking, under these laws all outstanding liabilities such as accounts payable, taxes, insurance, etc., should be paid first. Certificates of indebtedness and membership certificates or shares may then be redeemed. Interests, on dissolution, computed upon the basis of patronage may be paid only after all liabilities of the Business Enterprises have been discharged and all membership shares have been redeemed.

The auditors who make the final audit of the books of the corporation should be asked to assist, if possible, in determining the individual sums which patron-members will be entitled to receive on the distribution of the assets.

11. The Business Enterprises shall arrange for a complete audit of their books and accounts as of the date of closing business. Heretofore, most of the audits for the Granada Cooperative have been made by the Consumers Cooperative Association of Kansas City, and for all other Cooperatives by the Northwest Cooperative Auditing and Service Association of Walla Walla, Washington. If these arrangements cannot be continued, the WRA will assist the Cooperatives, if necessary, in securing other auditing services.

D. S. Myer
Director

OM-2066

EXHIBIT A

District of Columbia Cooperative Association Act, Section 36, Public Law No. 642, 76th Congress, 3d Session, Chapter 397.

ARTICLE XI - - Dissolution

SEC. 36. Dissolution. — An association may, at any regular or special meeting legally called, be directed to dissolve by a vote of two-thirds of the entire membership. By a vote of a majority of the members voting, three of their number shall be designated as trustees, who shall, on behalf of the association and within a time fixed in their designation or within any extension thereof, liquidate its assets, and shall distribute them in the manner set forth in this section. A suit for involuntary dissolution of an association organized under this act may be instituted for the causes and prosecuted in the manner set forth in sections 786 through 791, both inclusive, and sections 794 through 797, both inclusive, of the act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901: Provided, That any distribution of assets shall be in the manner set forth in this section. In case of any dissolution of an association, its assets shall be distributed in the following manner and order: (1) By paying its debts and expenses; (2) by returning to the members the par value of their shares or of their membership certificates, returning to the subscribers the amounts paid on their subscriptions, and returning to the patrons the amount of saving returns credited to their accounts toward the purchase of shares or membership certificates; and (3) by distributing any surplus in either or both of the following ways as the articles may provide -

(a) Among those patrons who have been members or subscribers at any time during the past 6 years, on the basis of their patronage during that period;

(b) As a gift to any consumers' cooperative association or other non-profit enterprise which may be designated in the articles.

EXHIBIT B

Deering's Civil Code of the State of California, Div. 1, Pt. 4, Tit. 1, Ch. 15 - - CORPORATIONS.

§400. [Voluntary winding up and dissolution: Requisites and procedure: Filing of certificate.] Any corporation may elect to wind up its affairs and voluntarily dissolve by the vote or written consent of the holders of shares representing 50 per cent or more of the voting power, or of 50 per cent or more of the members entitled to vote stating such election to wind up and dissolve.

The board of directors of any corporation which has not begun the business for which the corporation was created and which has issued no shares, or of any corporation which has been adjudged to be bankrupt, or of any corporation which has disposed of all of its assets and has not conducted any business for a period of five years immediately preceding the adoption of the resolution electing to dissolve the corporation, may elect by resolution to wind up and dissolve the corporation.

If the term of existence for which any corporation was organized expires without renewal or extension thereof or if the corporation be otherwise dissolved, it shall be the duty of the directors to terminate its business and wind up its affairs.

Filing of certificate. Whenever the winding up and dissolution of a corporation is authorized by the vote or consent of shareholders or members or by resolution of the directors a certificate stating that the corporation has elected to wind up and dissolve and showing by what vote or consent such election was made, signed and acknowledged by the president or a vice president and the secretary or an assistant secretary or by a majority of the directors, or by at least three shareholders or members authorized by the shareholders or members to sign such certificate, shall be filed in the office of the Secretary of State and a copy thereof certified by the Secretary of State shall be filed in the office of the county clerk of the county in which the principal office of the corporation is located.

§401a. Distribution to shareholders. After determining that all the known debts and liabilities of a corporation in the process of winding up have been paid or adequately provided for, the directors shall distribute all the remaining corporate assets among the shareholders and owners of shares according to their respective rights and preferences. If the winding up be by court proceeding or subject to court supervision, such distribution shall not be made until after the expiration of any period for the presentation of claims which may have been prescribed by order of court. Distribution may be made either in money or in property or securities, if this can be done fairly and

ratably and in conformity with the provisions of the articles and the rights of the shareholders and shall be made as soon as reasonably consistent with the beneficial liquidation of such assets. At the discretion of the directors, distribution under this section may be made in installments from time to time or as a whole.

The payment of a debt or liability shall be deemed to have been adequately provided for if the payment thereof has been assumed or guaranteed in good faith by one or more financially responsible corporations or other persons and such provision was determined in good faith and with reasonable care by the board of directors to be adequate at the time of any distribution of the assets by the directors hereunder.

* * * * * *

EXHIBIT C

1935 Colorado Statutes Annotated, Volume 2, Chapter 41.

§ 64. Dissolution by stockholders - Meeting - Notice of dissolution filed and published - Dissolution before completion of organization.— Whenever the stockholders of any corporation, formed under the laws of the State of Colorado, desire to dissolve the corporation, prior to the time limited by law, or by the terms of its articles of incorporation, they may do so upon a vote of two-thirds (2/3) of the entire stock of the corporation, at a meeting of the stockholders of said corporation, which shall have been called for the purpose of considering the propriety of dissolving such corporation; but such dissolution shall not take place until all debts owing by the corporation shall have been fully paid. And notice of such meeting is to be given, in the manner provided by law, for the calling of stockholders' meetings for the purpose of amending articles of incorporation. And when a dissolution shall have been so ordered, the president and secretary of such corporation shall make and sign a notice of dissolution, under the seal of such corporation, one copy of which shall be filed in the office of the secretary of state and one copy of which shall be filed in every county in which the articles of incorporation of such corporation were filed; and a copy of such notice shall be published in some newspaper printed in each of said counties, for the period of six (6) weeks; and, upon filing and publication of such notice, as aforesaid, such corporation shall be deemed to have been dissolved forever; provided, that the incorporators or the directors or a majority thereof named in the articles of incorporation to act for the first year, upon making affidavit, showing that the company, corporation, association, joint stock company or other organization, has not completed its organization, contracted no indebtedness, issued no stock, other than shares to qualify the first board of directors, is not possessed of any corporate assets, or that the corporation has never exercised any of its corporate power, shall be empowered to dissolve such corporation by filing notice of dissolution in the office of the secretary of state and a copy thereof in the office of the clerk and recorder of each county in which the original articles of incorporation were filed, and, upon the filing of such notice of dissolution, such corporation shall be forever dissolved. Such dissolution shall not take away or impair any remedy given against such corporation, its stockholders, directors, incorporators, trustees or any one legally connected therewith, for any liability incurred previous to such dissolution. [L. '19, p. 357, § 12; amending R.S. '08, § 895; C. L. § 2296.]

§ 67. Notice of dissolution filed with secretary of state. - It shall be the duties of the officers and directors of all corporations that may desire to discontinue business or dissolve the corporation prior to the time limited by law, or the time specified in the articles of incorporation, to file notice of such dissolution in the office of secretary of state. [L. '03, p. 154, §1; R. S. '08, § 898; C. L., §2299.]

Exhibit C

§ 65. Distribution of property. — All property belonging to such corporation at the time of the dissolution shall, by the trustees or directors of such corporation, be converted into cash and distributed pro rata among the stockholders of the said corporation; said distribution to take place within six (6) months from the time of converting said property into cash. [L. '91, p. 95, § 2; R. S. '08, § 896; C. L., § 2297.]