

The Northern Forum

Number 94, Resolution

Authorization to Obtain Credit

Issue:

The Northern Forum Bylaws contain the following statement regarding securing and the use of credit:

ARTICLE V - SPECIAL CORPORATE ACTS

- A. Board Approval.** The Corporation may not borrow money; issue a promissory note, bond or other like obligation without express authorization by the Board of Directors. The Corporation may not make loans to any officer or Director; the Board of Directors may not authorize such loans.

If this condition is applied to the maximum extent, the Secretariat and the Northern Forum Corporation cannot use or obtain credit cards. However, the Secretariat has used credit cards (American Express and MasterCard) for several years, primarily for travel expenses.

Additionally, because of the inconsistent cash flow, which results from membership dues not being paid in a timely manner, the Secretariat is often faced with a very small fund balance, and is unable to make payroll and other liability payments on time.

Recommendation:

The Secretary/Treasurer of the Northern Forum, Inc. recommends that permission be granted for the Corporation to obtain credit cards for the purpose of paying for travel expenses and other items as appropriate. In addition, it is recommended that permission be granted for the Corporation to obtain a line of credit with the Corporation's bank, which can be used to even out cash flow during months with no income or dues payments.

The Secretary/Treasurer recommends that the total credit authorized be limited to the total of one month's operating expenses for the Secretariat. For fiscal year 2002, this credit limit would be \$24,000. This credit limit would include both credit cards and credit line.

Be It Resolved, by the Board of Governors of the Northern Forum:

That the Northern Forum Inc., based in Anchorage, Alaska, is hereby authorized to obtain credit, through the use of either credit cards and/or a bank credit line, to the maximum of one months operating expenses. The Board of Governors or the Executive Committee will review the use of and maximum amount of this credit limit annually.

Signed and Approved this 29th day of October, 2001, in Edmonton, Alberta, Canada