

First version

Not to be used

D. F. Memo of Dec 9, 1951

After due examination and consideration following the Meeting of Nov 29, I must express my opinion as treasurer of A. Y. S. and secretary of R. F. about the proposal to have A.Y.S. lend \$1000 to R.F. @ 4%.

Caution about the present tax-exempt status of AYS and future possibilities in that direction for RF require me to point out the possible dangers in such a move. If there are enemies looking for an opportunity to stop our actual operation, they might start an "investigation" of AY and, finding in our official reports the loan from AY to RF, claim that AYS is mis-using tax-exempt funds to support work of RF which is now being scrutinized especially and has been denied tax exemption. This could result in cancellation of AY tax exemption, thus cutting off future donations for budget.

When Mrs. F. & I proposed the idea of the R.P.&B. of P. essay contest a year ago, it was not rejected by anyone, but no money was given because RF was not tax-exempt. Mrs. F & I, therefore, gave \$250, which carried RF through the year 1951. I believe this provides an example - on a small scale - of the way the situation could be handled for the coming year.

If a donor who offers \$3000 for the 1952 budget were to give \$2500 to AY and \$500 to RF, he would report on his own tax return only the deductible \$2500 but would be credited in our minutes with \$3000 donation to the budget. He would lose (so to speak) the amount of the tax on that \$500, but this elusive percentage is anyway small in comparison to the total budget donation.

Perhaps several of our Board Members have declined to make any contributions to our work - and perhaps those who do contribute money have declined to give any part of their voluntary shares pledged toward the budget directly to RF - on principle, and not because they can't afford it. Perhaps they do not agree that this is the time to bring RF into life but hesitate to pronounce these words. However, there are good reasons for such a stand - for instance, our recent experience with the contest.

The correct way to operate the Institutions, at the present time, in N.Y, under contemporary conditions generally, would be the same, from the financial standpoint, as in 1929 at 310. Adequate private capital would have to be available to launch the program, with planned provisions for enlisting public support gradually. If the public support then is not forthcoming the development would depend on the original source of funds.

When the RM set-up collapsed about 15 years ago a great wrong was done. It became the karmic necessity for this country to right this wrong. No particular individual could be commanded to assume that duty, but a few loyal co-workers for several years held the door open for volunteers by maintaining the life of the Institutions on a small scale - a mere trickle.

RF was incorporated clearly upon the assumption that this period of temporary obscurity was over and that an attempt was to be made to rehabilitate the entire edifice of the R Institutions, although not necessarily all at once. At the time the indications came, about moving from 57th Street, etc., since the financial basis of such rehabilitation had not been established (although there had been many adequate assurances in this direction spoken informally), it was essential to establish such basis as soon as possible and in the meantime to have at least the physical possibility to continue on the previous small scale. Before we have the broad river we must have the small trickle. During the interim of moving from 57th to 107th, a critical Meeting was held, at 97th Street, at which both the indispensable unity and the vitally important clarification were not found. A two-year period

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After due examination and consideration following the Meeting of Nov 29, I must express my opinion as treasurer of A.Y. Society and secretary of R. Foundation about the proposal to have AYS lend \$1000 to RF @ 4%.

Caution about the present tax-exempt status of AYS and future possibilities in that direction for RF require me to point out the possible dangers in such a move. If there are enemies looking for an opportunity to stop our actual operation, they might start an "investigation" of AY and, finding in our official reports the loan from AY to RF, claim that AYS is mis-using tax-exempt funds to support work of RF which is now being scrutinized especially and has been denied tax exemption. This could result in cancellation of AY tax exemption, thus cutting off future donations for budget.

RF's first application for tax exemption was denied because the financial outlay during its first year was too meager to permit a ruling on whether or not activities will conform to avowed purposes. Mr. Forbes, of the Treasury Dept., explained that after we have gone ahead for one year with our activities on a bigger scale as planned, they would examine a new application, and that if the ruling is favorable the tax exemption could be retro-active. Then all donations would be deductible from individual income tax returns, not only those given after the date of granting of the exemption but also the previous donations which had supported the activities reported in the application. Mr. Forbes did not promise that the ruling would be favorable. He emphasized that it may be retro-active if it is favorable. The burden of proof of sincerity of purpose is on the incorporators and donors, who must support the organization for one year under the risk of an unfavorable ruling.

When the R.P.&B. of P. essay contest was proposed a year ago, RF was not tax exempt. However, \$250 was provided which carried RF through the year 1951. I believe this provides an example on a small scale - of the way the situation could be handled for the coming year. If a fraction of each donation to the 1952 budget could be given directly to RF - say 1/6 - the donor would risk losing the amount of the tax on that 1/6, but this elusive percentage is anyway small in comparison to the total budget donation.

Another way which has been suggested and is still open is that the house could be rented to AY by RF.

Perhaps some of our Board Members do not agree that this is the time to bring RF into life. There are good reasons for such a stand - for instance, our recent experience with the contest.

The correct way to operate the Institutions, at the present time, in N.Y., under contemporary conditions generally, would be the same, from the financial standpoint, as in 1929 at 310. Adequate private capital would have to be available to launch the program, with planned provisions for enlisting public support gradually. If the public support then is not forthcoming, the development would depend on the original source of funds.

When the R. Museum set-up collapsed years ago a great wrong was done. It became a karmic necessity for this country to right this wrong. No particular individual could be commanded to assume that duty, but a few loyal co-workers for several years held the door open for volunteers by maintaining the life of the Institutions on a small scale - a mere trickle.

RF was incorporated clearly upon the assumption that this period of temporary obscurement was over, and that an attempt was to be made to rehabilitate the entire edifice of the R Institutions, although not necessarily all at once. At the time the Indications came, about moving from 200 W 57, etc., since the financial basis of such rehabilitation had not been established, it was essential to establish such basis as soon as possible, and in the meantime to have at least the physical possibility to continue on the previous small scale. Before we have the broad river we must have the small trickle. During the interim of moving from 57 to 107 a critical Meeting was held, at 97, at which both the indispensable unity and the vitally important clarification were not found. Recently an attempt was made to hold a Meeting for the same purpose which had the same result - no unity and no clarification.

My opinion at present is that we cannot force RF into life. However, the RP&B of P Committee functioned before RF existed, and during 1951 means were found to prevent its being swallowed up and stifled along with RF. But we should continue the Committee activities on only the same small scale permitted by our very petty cash.

When one is entrusted to carry out details of some construction work he must not incur debts beyond his allotment, and the extent of his activity in actual performance of his duty is limited by the variable circumstances and wishes of the individuals who supply the necessary funds.

For the calendar year 1951, one might say that \$250 was spent demonstrating that the tail can wag the dog. Or we might say that the Committee gave its living breath to the Foundation for this year, in an attempt to induce vital breathing in RF. But if RF refuses to breathe, the Committee need not die with it.

The Committee could assume the loan from AY perhaps with less danger than RF, but it should not be used as RF money, and no further application should be made in the meantime.

AGNI YOGA TREASURER'S REPORT FOR YEAR 1953

Cash on hand, January 1, 1953 *in Com. Exchange Bank* \$ 924.35

Receipts

Donations

J. J. Weed (Maintenance Fund)	\$ 3,000.00
B. Bolling (Maintenance Fund)	3,000.00
B. Bolling (Printing "The Call")	2,000.00
B. Bolling (Repair Fire Escape)	500.00
A. Dambres	20.00
G. I. Fritschi	4.00
E. Meeker	34.50
E. Paxton	2.00
L. Spatz	7.00
D. Carrel	2.00
M. Roos	100.00
S. von Stratten	10.00
D. Schmidt	2.00
G. Law	12.00
E. Yussupoff	7.00
D. Fogel	2.50
N. Hoffer	2.00
E. Dudden	4.00
A. Neumann	7.00
L. Duzkiewicz	7.00
W. Klingner	.50
M. Weiss	2.00
M. Lehrer	100.00
H. Wolff (refund)	7.10
	<u>\$8,832.60</u>

Memberships

Directors - S.Fosdick, K.Campbell, I.Fritschi,
D.Fosdick, J.Weed, B.Bolling, M.Lehrer, E.Fosdick
I.Mourontseff ~~XXXXXXXXXXXX~~

Associates 225.00
Publications 1,256.49

\$10,379.09

Disbursements

Secretary	\$2,869.61
Cleaning & Repair	1,192.67
Telephone	267.63
Electric	247.74
Fuel	617.72
Fire Escape - scrape, paint, etc.	500.00
Printing ("The Call" - \$1,971.31)	2,031.06
Social Security	120.17
Insurance	104.32
Gratuities	95.00
Sales Tax	17.41
Postage and Supplies	111.75
Exchange to Maintenance Fund	<u>2,000.00</u>

10,175.08

Increase in cash balance 204.01

Cash on hand, December 31, 1953 *in Com. Ex. bks.* \$1,128.36

(allocated for 1954 budget) Cash Maintenance Fund 5,000.00

\$6,128.36

10. The Chairman announced that the loan of \$1,000 from Agni Yoga Society to Roerich Foundation, as previously agreed upon, was not made.

A discussion arose regarding a change in the basis of occupancy of 319 by the Institutions. A short while ago it had been proposed by Mr. Bolling, in personal conversation and by letter, that he rent his house at 319 W. 107 Street, where all Roerich Institutions are housed, for the sum of \$4,500 yearly to A.Y. Society. At the same time his company, Anderson-Bolling Manufacturing Co., would give a yearly donation of \$4,500 to A.Y. Society so that this sum could be returned to Mr. Bolling as rent. It had been suggested in reply that, because of special considerations, including our yearly reports to the government on forms 990 and 990A, it would be better if he would rent the house to Roerich Academy, who would sublet to A.Y. Society for the same sum.

Mr. Bolling had agreed at the time, but during the discussion at this meeting he said that he would prefer to rent the house directly to Agni Yoga Society. After analyzing it further the directors present decided that the Academy plan would be better, inasmuch as the financial exchange would be the same either way and renting directly to A.Y. Society might endanger our tax exemption status. While the rest of the directors were of unanimous opinion on this point, Mr. Bolling still felt that he would prefer to rent the house to A.Y. Society. *He still held to his letter of Apr. 7, but could not act on Academy plan without his lawyer's O.K.* It was therefore decided to leave this question open for Mr. Bolling's further consideration for the time being, awaiting his final decision.

11. Meeting adjourned at 11 P.M.

DF Treasurer's Memo - Jan. 1, 1953

At the last meeting, when I seconded the motion for same budget as before, I calculated that with what we will have left in A. Y. Dec. 31st the budget will be covered, since Mr. Weed had just indicated again his willingness to donate \$3000. Mr. Bolling had guaranteed the cost of publishing "The Call," and an estimated maintenance fund of \$6000- guarantees operations as previously for the next year.

At the time of moving from 57th Street, I understood that rehabilitation of the R. Institutions in America was to begin, more or less gradually depending on events. The former parent body, R. Museum, being in an unclear legal status, the new parent body I presumed would be the Institution, whatever its name, that was to be launched by incorporating B of P. I presumed this to be the purpose of acquiring new quarters.

That there was much misunderstanding was soon evident, but I continued to try to keep order in the books and records of the Institutions until it could be cleared up.

Since it was understood that during the interim period no financial contributions were to be expected from anyone except Mr. Weed and Mr. Bolling, it seemed to me inequitable to allow their donations to simply swell the A. Y. assets in which all members have an equal share. The original financial records of all Institutions were separately carried through the first part of this period, and joint expenses paid by the "Carrying Fund". Equitable adjustment was made at the time of occupying 319, and the financial record of the original A. Y. was continued forward under the term "Publishing Fund," the function of the as yet unmanifested parent body being carried temporarily by the "Budget Fund".

However, I accept the fact that these emergency measures are no longer applicable, and the terms "Publishing Fund" and "Budget Fund" are dropped as of Jan. 1, 1953, since it has now been made clear that others do not share my view regarding our work and the Institutions. Just what the others' views are, or what actually was the purpose of moving and of forming R. Foundation, remains at present unclear.

For the future I propose that we have more frequent meetings and more thorough open discussions, in an effort to find mutual understanding and help the Treasurer and the Secretary, whoever they may be, prevent A.Y.S. from becoming a completely unorganized organization.

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January 30, 1954

Dear Director,

Enclosed is financial statement and inventory as of January 1, 1954.

After trying for one year, by mail and telephone, we finally succeeded in obtaining exemption from N. Y. City Sales Tax. So far, it doesn't mean much financially.

It seems we need to hold a meeting for election of officers, etc. In the meantime, I am happy to continue to keep a record of what comes in and what goes out.

There are still some broad questions awaiting discussion and decision, among them:

1. Is our basis of occupancy and operations at 319 the same as before?
2. Is Dr. Fogel to be invited to join the Society as a member and Director?

Anyway, the enclosed papers give a "Treasurer's eye view" of the way things are now.

Sincerely,

AGNI YOGA SOCIETY

INVENTORY - JANUARY 1, 1954

13	copies	Beautiful Unity	@ \$1.00 each	\$	13.00
85	"	Blue Monograph	"		85.00
468	"	Flame in Chalice	\$2.00		936.00
107	"	Heart of Asia	"		214.00
10	"	Memorial Volume	"		20.00
3,100	"	The Call	\$2.50		7,750.00
456	"	Fiery World vol. 2	"		1,140.00
1,402	"	Fiery World vol. 3	"		3,505.00
1,638	"	Community	"		4,095.00
2,660	"	Illumination	"		6,650.00
178	"	Hierarchy	\$3.00		534.00
317	"	Heart	"		951.00
41	"	Fiery World vol. 1	"		123.00
294	"	Realm of Light	"		882.00
					<u>\$ 26,898.00</u>
			Less 1/3		<u>8,966.00</u>
			Estimated value	\$	17,932.00
			Plus Library		<u>500.00</u>
			Reported on Form 990A	\$	18,432.00

Other assets not included above - Archives (usually 25 copies each book); a few copies of original Russian editions; some remaining postcards and reproductions; the painting "Himalaya," bronze Buddha, typewriter, adding machine, etc.

18,432.00

6,128.36 (cash)

No liabilities. Net worth of \$24,560.36 shared by 10 members, Board of Directors.

see letter-head