

Financial Vice President Moscow, Idaho 83843 Phone (208) 885-6365

MEMORANDUM FOR DOCTOR HARTUNG

April 10, 1972

SUBJECT: Contractual Relationships

I appreciate what Tom Richardson is doing to help resolve our BSU problems. A memo he wrote on 7 April concerning this situation is attached. As I have reported to you, we have <u>not</u> done what we told the Regents we would do, or what they told us we could do, concerning financial arrangements for this property, this is an unauditable mess which could be embarrassing, and I do not know how we can make any sensible report to the Regents or anyone on where we are on this thing financially.

Clearing with you, I wrote to Adrian Prince on 9 December 1971 that "You will have to continue to pay \$85 per month rent on the apartment by the first of every month, or we will promptly rent the apartment to somebody else" and to please come by and visit with me so that we can work out a plan to settle the financial problem. He has not paid, and he has not come by. It seems to me that the BSU will have contempt, rather than respect for us when we do not keep our word but proceed in a pusillanimous rather than a dignified way, as we would with the Sigma Chi's or anybody else.

I wish that we could learn one thing from this experience—we must prepare a thought—out, written agreement and budget before we get into these things. We are in danger of again going down the primrose path on French House and the Native American Program if we persist in making piecemeal financial commitments before spelling out clearly what we are getting into. I have not yet seen a proposed budget for either of these programs.

Recommendations:

- 1. If the BSU problem is not solved this month, we give the BSU definite notice that the building will be used for some other purpose or removed this summer.
- 2. Somebody (Tom and/or Bob) firm up and submit for evaluation a proposed budget for French House so that we can see whether or not there is any realistic possibility that this can be self-supporting.
- 3. Bob Coonrod, or somebody, prepare and submit a budget for next year, and a rough financial projection for the next two or three years for the Native American Program, so that we can clearly see what we are getting into.

SC:ce Enclosure

cc: √Tom Richardson Bob Coonrod