

Resolution NO. 2009-01

A RESOLUTION TO DEFINE THE WORKING RELATIONSHIP BETWEEN THE COUNCIL OF ELDERS, ISP BOARD OF TRUSTEES, AND THE ISP, INC. IN TERMS OF FINANCIAL MATTERS

WHEREAS, the Council of Elders is the policy-making body of the IGO and that the ISP Board of Trustees manages, among others, the affairs of the IGO scholarship program;

WHEREAS, sometime in February 2007, the ISP Chairman and some members of the ISP-BOT who are likewise IGO members, in their desire to facilitate receipt of and transfer of donations for the said scholarship program, decided to open a bank account in the Philippines where the scholarship program is being implemented. As a bank requirement thereof, the said members were constrained to register with SEC-Philippines what is now the ISP, Inc. and which up to date is the official account holder of the opened bank account;

WHEREAS, sometime during the latter part of 2007, an issue was raised by the IGO CFO as to whether IGO and ISP, Inc. have a legal linkage. Said office stated that in the absence of a legal linkage, funds collected by the ISP, Inc in the PI from sources other than the IGO and subsequently deposited by the ISP, Inc into its own bank account in the PI, cannot be legally claimed by the IGO as IGO funds. Consequently, the IGO cannot legally include such funds in the IGO financial reports. Said office also stated that even with the establishment of a “legal linkage” between the two entities, the IGO still cannot report on funds collected by the ISP, Inc from sources other than the IGO because such funds “reside” in the ISP bank account and NOT in the IGO bank account. Said office also stated that this issue of not including these funds in the IGO Financial Statements, is acceptable as long as the ISP, Inc submitted its own Financial Reports to the IGO on the status of such funds. Additionally, such funds would be deemed as belonging to the IGO if the ISP, Inc. was legally established as an “agent” of or a body “related” to the IGO. Suggestions have been made in the past to create this linkage and to date, the this linkage has not been established on clear equivocal terms;

WHEREAS, the COE intermittently sends funds to the Philippines for the ISP scholarship program only through the said ISP, Inc. bank account as it had done so in the past. Likewise, it had also been a standing practice that it is the ISP, Inc. that has been the sole entity officially receiving donations sent to the Philippines from different sources intended, among others, for the IGO scholarship program;

WHEREAS, sometime during the latter part of 2007, an issue was raised by the IGO Treasurer as to whether IGO and ISP, Inc. have a legal linkage. On this premise, the said office stated that it cannot legally accept monies from, or financial reports prepared by, the ISP, Inc. on the assertion that the latter is not a legal subsidiary of IGO. The issue on this linkage has not been resolved on clear equivocal terms to date;

WHEREAS, as not to impede the implementation of the IGO scholarship program in the Philippines, most specifically in the release of funds from the COE to the ISP, Inc., the COE deems it apt to table the linkage issue for now and instead focus on the matter of donations coming to IGO via the ISP, Inc. and/or monies coming from the COE to the ISP, Inc. by authorizing the ISP, Inc. as IGO's collecting agent in the Philippines.

RESOLVED, THEREFORE, on motion duly seconded, that the COE, in behalf of IGO, will enter into a Memorandum of Agreement with ISP, Inc. detailing out the mechanics on how the ISP, Inc. will handle IGO funds coming to it by donations from any and/or all sources or from the COE, and on submission of financial reports;

Done this February 2, 2009

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|---------------------|---------|-----------------|---------|
| Mia Abeya | YES | Tony Gomowad | YES |
| Bart Alatan | YES | Jeffson Gonzalo | YES |
| Rosalynnda Callagan | | Milton Mestito | ABSTAIN |
| Cesar Castro | YES | Lynn Macalingay | ABSTAIN |
| Mel Chin | ABSTAIN | Evelyn Padua | YES |
| John Dyte | YES | | |
| Diman Felipe | YES | Gloria Simon | YES |
| Daisy Leones | YES | | |