PARTICIPANT GUIDE

LESSON 7.1

Catch together

Operations

Distributing Quota

By the end of this lesson you will be able to:

- Determine how a leasing program can achieve our mission.
- Decide how lessees should be chosen from the pool of fishermen.
- Determine if we'd like an application process and, if so, what should be included in the application.

Above all else:

Keep your organization's mission (and, if applicable, exempt purpose) in mind when deciding who gets how much quota. Your mission should act as your compass in all major decisions, but especially in distributive ones, as it will ultimately help guide and defend your distribution decisions.

Okay, got it. What or who else should we consult when we're making these decisions?

One common question for permit banks is whether to involve fishermen — especially potential lessees — when deciding who gets how much quota. There are a couple of reasons for doing this:

1. Involving fishermen provides on-the-water information about what's needed and possible in the community.
2. It also builds a bottom-up sense of ownership over the program, rather than creating any resentments about top-down decisions.

However, there are a couple of negatives to consider, as well:

1. The quota distribution process can be extremely divisive. There may end up being many personal arguments between fishermen about who "deserves" what, which can make it hard for them to work together effectively in the future.*
2. You also have to worry about conflict of interest here. A fisherman's opinion on who should get what quota may not be completely unbiased, even if he doesn't directly participate in that particular fishery. (Arguably, no one's opinion is completely unbiased, especially in a small community, but the public might assume that a fisherman is more biased on this decision than others.)

*Conflicts might arise between fishermen even outside the quota distribution discussion. The organization's activities will affect peoples' livelihoods, so there's a lot at stake here and a lot of room for conflicts to arise. One way to manage these conflicts is through a three-step process:

1. Permit banking staff bring the issue to a fishermen's meeting. They flag it for the group, but make it clear that we're not making a decision at this meeting. Rather, they're asking folks to start thinking about it and deciding how they feel about it.
2. After that meeting, staff reach out to the fishermen on an individual basis to get their perspectives, listening carefully and making sure they understand all the fishermen's points.
3. At the next meeting, staff bring concrete, implementable ideas to the table based on the feedback they received from fishermen. Acknowledge that it's not possible to make everyone happy with any given decision, but that the goal here is to minimize heartache and come up with something everyone can live with. As a group, vote on the idea or decision.

Other things to prioritize if you're a 501(c)(3) nonprofit:

1. Have an equal, fair, and transparent way of determining who gets how much. This will help your nonprofit avoid private benefit, where one person essentially gets "too much" of a nonprofit's assets.
2. Leave the program open for future participants to make sure the charitable class is open. In other words, don't have a one-time-only application cycle; make it clear to new entrants that they can apply, whether that's on a rolling basis or at the same time every year (or every other year, etc.).