

FINANCIAL POLICY

Southern Minnesota Area Assembly of Alcoholics Anonymous

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SECTION ONE: **FINANCIAL POLICY**

1. The purpose of this document is to bring together, under one cover, all financial policies of the Southern Minnesota Area Assembly. It is meant to be general in nature; the guiding principles are to be found in the A.A. Service Manual and The Twelve Steps and Twelve Traditions.
2. In order to promote uniformity and continuity of financial policy for the Southern Minnesota Area within the service structure guidelines set forth in the A.A. Service Manual. The area assembly has a primary purpose - *to carry AA 's message of recovery to the still suffering alcoholic*.
3. In order to meet this primary purpose, the following are of paramount importance:
 - a) To preserve and protect the service structure of Alcoholics Anonymous so we can be assured this program will be available to those who follow.
 - b) To provide a means of communication within the fellowship so all AA members can be aware of current events and concerns throughout the fellowship.
4. To accomplish the above objectives, we must have area officers and standing committee chairpersons, as outlined in the A.A. Service Manual. It necessarily follows there must be meetings of the Area Committee, Area Assembly and Standing Committees. Money must be provided for reimbursement of our trusted servants for the expenses incurred in carrying out the needed services. These expenses consist of (but are not limited to) travel expenses, materials and supplies, and meeting places necessary to carry out these services.
5. The Area Officers are the custodians of the funds provided and must show extreme diligence and prudence in spending these funds. They must be able to assure the membership maximum return is being obtained for the moneys expended. The area funds are to be used judiciously and wisely - for the benefit of the general membership. Above all, we must remember to trust our "trusted servants".
6. Specifically, policies will be addressed in the following general categories:
 - II. Budgeting Process
 - III. Treasurer's Responsibility & Banking Procedures
 - IV. Self-Support
 - V. Expense Reimbursement
 - VI. Expenditure Approval
 - VII. Limitation of Accumulated Funds
7. This Financial Policy may be amended by a two-thirds vote of the Area Assembly.

SECTION TWO: **BUDGETING PROCESS**

1. The Southern Minnesota Area Assembly will, as much as reasonably possible, conduct its business through the use of budgets. The primary vehicle of the budgeting process will be an annual master budget presented to and approved by the entire assembly. Changes in an already approved budget can be made at the Area Committee Meeting; even material changes (greater than \$200.00) only need Area Committee approval.
2. The Area Chair will have primary responsibility for preparation of the annual budget. The chair shall call upon each Standing Committee Chair and Officer to prepare an itemized budget for each standing committee, officer and area project.
3. These itemized budgets should be realistic listings of the expenses expected to be incurred by the committee or officer in the process of fulfilling their respective duties. They can be itemized by project, process or type of expense, as long as the itemization will facilitate the subsequent charging of expenses to the budget.
4. In determining whether moneys should be budgeted for a particular project, guidance should be sought from the three primary objectives of the Southern Minnesota Area, as described in Section One. (#2, 3a, 3b)
5. These individual committee, project and officer budgets will be collected by the Area Chair and combined into an overall Area Budget. It will be determined at this time what adjustments will be necessary in order to make the Area Budget realistic when compared to the expected level of contributions and reviewed by the Area Finance Committee.
6. After the Area Chair has made all adjustments to the worksheet of the financial report, and has combined them into an overall budget, both the overall budget and the worksheet of the financial report shall be sent to all districts approximately 60 days prior to the Area Assembly that the budget will be voted on, and be included in the Area Newsletter.
7. The combined area Budget will then be brought before the Area Assembly for its consideration and approval. Once approved, expenditures made for projects included in the budget will not need subsequent approval by the Assembly.

8. Travel amounts to be budgeted shall be based on the Area Officers, Area Standing Committee Chairs and the Area Group Records Secretary - attending the annual Southern Minnesota Service Conference, West Central Regional Conference, West Central Regional Forum (every other year), Area Assemblies, Area Committee Meetings and Delegate's Workshop. Any other travel by either Standing Committee Chairs or Officers shall be included as a line item in their respective itemized budget.
9. Availability of sufficient area funds should still be checked before incurring expenses. (See Section Four - Expenses Reimbursement Policy)
10. In budgeting for communication within the fellowship, as much as possible consideration shall be given to using the existing general service structure as well as the Area Newsletter (The Pigeon).

**SECTION THREE:
TREASURER'S RESPONSIBILITY & BANKING PROCEDURES**

1. All Area funds shall be maintained in bank accounts in the name of the Southern Minnesota Area Assembly. All Expenditure from Area accounts shall require the signature of two of the following officers: Chairperson, Secretary, Treasurer. For expenditures requiring a debit card, the Area Chairperson will authorize the expenditure with the Area Treasurer receiving the statement to verify the expenditure. This will act as a system of checks and balances in lieu of two signatures on a check. In addition, the daily dollar amount for ATM transactions will be set at \$1.00 per day. As a matter of policy, none of these officers shall sign blank checks.
2. In the case of insufficient funds to pay any debts incurred by the Area, the Treasurer shall immediately inform the Area Chairperson. The Chairperson shall be the final arbiter in prioritizing outstanding bills according to the procedure outlined in the section "Limitation of Accumulated Funds".
3. In the case of funds in excess of 50% of the limits authorized in the section "Limitation of Accumulated Funds", the Treasurer shall immediately inform the Area Chairperson. The Chair shall contact the rest of the Area Officers and they shall determine whether funds should be transferred into the Reserve Fund from the Operating Fund in excess of the standard \$150.00 per month.
4. In the case of funds in excess of 70% of the limits authorized in the section "Limitation of Accumulated Funds", the Treasurer shall immediately inform the Area Finance Committee Chair. The Finance Chair shall determine whether the nature of the next quarterly self-support letter should change as outlined in the section "Self-Support".
5. In the case of funds in excess of the limits authorized in the section "Limitation of Accumulated Funds", the Treasurer shall immediately inform the Area Chair. The Chair will determine if funds need to be contributed to the General Service Office of Alcoholics Anonymous.
6. The Treasurer shall prepare a monthly trial balance sheet showing all contributions expenditures, checking account balance and known unpaid and future liabilities of the Area. A copy of this monthly trial balance shall be given to all members of the Area Committee. The trial balance sheets shall also be available to any member of Alcoholics Anonymous at each Assembly Meeting.
7. The Treasurer shall, upon receipt of the monthly banking statement reconcile the Area records to the statement and forward a copy of this reconciliation to the Area Officers and the Area Finance Chair.

8. The Treasurer shall publish in the Area Newsletter, in a format agreeable to both the Treasurer and Editor, an accounting summary listing group contributions received since the last issue of the newsletter, the checking account balance, a total list of all expenses paid since the last newsletter, and a listing of all expenses incurred but not yet paid.
9. The Treasurer shall maintain a Financial Data Notebook which contains the budget as approved by the Area Assembly, a list of all contributions received, a listing of all expenses paid and accounting of each budget item against which expenses have been charged.
10. The Treasurer shall, when attending Area Committee meetings and Area Assemblies, have in his/her possession the Financial Data Notebook and the most recent checking account reconciliation. The materials shall be available to any members of Alcoholics Anonymous for their inspection. At these meetings, the Treasurer shall not be required to issue any checks against expense reimbursement requests received at that meeting, but may do so if it can be done in an orderly fashion.
11. Requests for reimbursement shall be submitted on a form provided by the Treasurer. It is recommended that reimbursement forms be submitted to the Treasurer on a monthly basis to insure that the necessary funds are available.
12. Disbursements of funds for reimbursement of expenses incurred by Area Officers and Committee Chairs shall be handled in a timely manner. Whenever possible the Treasurer will distribute reimbursements within two weeks of receiving them. In the event that Area funds do not permit reimbursement within this timeframe, the Treasurer will notify the Officer or Committee Chair promptly. The Treasurer will then disburse funds when they become available according to the guidelines set forth in Section Seven (#9).
13. The Area will accept contributions using the same guidelines as the General Service Office of Alcoholics Anonymous. individuals may contribute no more than the maximum allowed by the General Service Conference. Individuals who wish to remain anonymous will have their contributions recorded as "Anonymous AA's," but the Treasurer will keep a card file on each anonymous contributor to ensure the limitation is not exceeded. The anonymous card file may be reviewed by the Area Chair only if there is a need to do so.
14. Individuals who have reimbursable expenses but do not wish reimbursement will receive an acknowledgment of their "in kind" contribution equal to the amount shown on the submitted documentation. These "in kind" contributions may also be kept anonymous, following the procedures outlined in item twelve (12) of this section.

15. The Finance Committee shall be responsible for all self-support efforts and will meet periodically to assess and develop Self-support efforts. At these periodic meetings, the Finance Committee shall also review the Treasurer's records.
16. No officer or committee chair may embark on an Assembly-approved or Area Committee-approved project costing more than \$100.00 without first consulting the Treasurer to see whether funds are available. In case of conflicting requests for money, the approval of the Area Chair must be obtained. The Treasurer is to make note of the proposed expenditure, in order to be able to track the Area's financial condition more accurately.

SECTION FOUR: **SELF-SUPPORT**

1. The Area Finance Committee will be charged with preparing and distributing a quarterly self-support letter.
2. The typical self-support letter, in addition to requesting contributions and serving as a reminder of the Seventh Tradition shall spell out in detail what projects the area is involved with, and the focus on where the area expects to expend the requested contributions.
3. In the event of funds in the Area Treasury (i.e. operating fund plus reserve fund, but not including the Delegate's Funds) are in excess of 70% of the authorized limits established in the section labeled "limitations of Accumulated Funds, " an amended self-support letter will be distributed for that particular quarter. This amended self-support letter shall not specifically request contributions, but rather will detail with what projects the area is involved and where the area expects to expend future contributions. This amended letter will continue to serve as the quarterly self-support letter until such time as the area funds fall below 70% of the authorized limits. When funds are below the 70% threshold, the request for contributions shall be included in the quarterly self-support letter.
4. While the responsibility for preparing and distributing the quarterly self-support letter shall reside with the Area Finance Committee, the primary responsibility for soliciting group contributions lies with each trusted servant -- in direct proportion to the group conscience he or she serves. Thus:
 - a. The General Service Representative has the key responsibility for informing the group of the need and opportunity to contribute.
 - b. The District Committee Member is responsible to ensure all groups within his or her district are informed of the area's financial situation as well as the nature of the projects the area is coordinating.
 - c. Area Officers and Standing Committee Chairs are responsible not only for informing the area of funding needs but also ensuring the funds are expended prudently and wisely, in adherence with the area's collective group conscience.

SECTION FIVE:
EXPENSE REIMBURSEMENT

1. Expenses incurred by members of the Area Assembly in the course of area business shall be reimbursed. Generally, expenses incurred will be in furtherance of a project or committee expenditure already approved within the Area Budget by the full Assembly. Thus, when completing an expense reimbursement form, it should be indicated what project or committee the reimbursement should be charged against. This will relieve the Area Treasurer of trying to guess where in the itemized budget a particular expenditure has been approved
2. The authority to spend area funds carries with it a concurrent responsibility to ensure the funds to be disbursed are available.
3. Thus, any expenditure of area funds in excess of \$100.00 should be cleared with the Area Treasurer prior to incurring the expense, (see Section Three -- #15). In case of regularly occurring expenditures, the Treasurer can be provided with a schedule of anticipated costs and their approximate dates, rather than contacting the Treasurer on each occasion.
4. Contracting with outside vendors brings the name of Alcoholics Anonymous into the public, thus it is vital to obtain prior expenditure approval when dealing with vendors outside the fellowship.
5. The following shall act as a guide in reimbursement of expenses incurred:
 - a) For items greater than \$25.00, receipts shall be presented with the reimbursement form in order to be reimbursed.
 - b) Mileage shall be reimbursed at half way between the charitable rate and the business rate for the current year and this will be varied as the rates change. (revised June 26th 2004 by the Area Assembly.)
 - c) When car pooling only the driver shall be reimbursed for mileage.
 - d) Hotel room reimbursement for the Area Officers, the Standing Committee Chairs and the Group Records Secretary shall be made for two (2) nights at the Area Service Conference and the West Central Regional Service Conference and Forum, and one (1) night at a two-day Assembly.

- e) Hotel room reimbursement shall be based on single room occupancy rates, unless the room is shared by other trusted servants, in which case reimbursement shall be paid on a prorated basis. It is strongly encouraged that rooms are shared whenever possible.
 - f) The Area Chair is reimbursed for one (1) night to precede the Area Committee and Assembly meetings to help ensure a more smooth running function.
 - g) The Delegate will be reimbursed by the Area for up to two nights hotel at the General Service Conference. The Area Delegate shall receive a check from the Area Treasurer prior to the General Service Conference for miscellaneous expenses incurred at the conference. These funds (amount to be determined by past delegate experience) will be used for cash payment towards expenses such as, but not limited to: (gratuities, cab fare, additional food, etc.). An itemized list of those expenses should be turned into the Treasurer with any receipts that were possible to obtain. (It is understood in some cases receipts may not be available). Any excess amount of funds not used should be returned to the Treasurer.
 - h) Travel in excess of pre-determined mileage shall be reimbursed on an as needed basis determined by the area officers and the funds available, with the Delegate receiving first priority for the West Central Regional Service Conference (WCRSC) and Forum, when the meeting is held in distant locations.
 - i) The most recent two Past Delegates shall be reimbursed for travel and lodging to Area Assemblies and Committee Meetings.
6. All Area Committees will be reimbursed by Area Funds for expenses incurred in the transportation and storage of their displays at round-ups and district functions they have been requested to attend. This will include hotel room reimbursement when necessary.

SECTION SIX:
EXPENDITURE APPROVAL

1. Prudence is of the utmost importance in spending the Area's funds. Therefore, the following guidelines have been set forth for the approval of expenses:
 - a) When a Standing Committee Chair or Area Officer requests approval for an expense that is in excess of \$1000 that has not previously been approved by the Assembly as a budget item the proposed expense must be presented to the Assembly and approved by a 2/3 majority before it may be incurred.
 - b) Expenditures that are outside of a committee's budget but below \$1000 must be carefully considered by the Area Chair and the Area Treasurer. If the requested amount warrants review by the Area Committee, the Area Chair may consult with other Officers or Standing Committee Chairs and may place it on the next Area Committee Meeting agenda for discussion.

SECTION SEVEN:
LIMITATION OF ACCUMULATED FUNDS

1. The reserve fund will be kept in a separate, interest bearing account.
2. The total amount of the Reserve Fund shall not exceed one sixth (1/6) of the current year's annual budget, excluding the Pink Can Plan budget line items. (i.e.) (two months of budget expenditures, but not including the Pink Can Plan line items).
3. The total amount of the Area's Operating Fund shall not exceed one third (1/3) of the current years annual budget, excluding the Pink Can Plan budget line items. (i.e. four months of budgeted expenditures, but not including the Pink can Plan line items).
4. The maximum available Area Funds - the total of the Reserve Fund (up to one sixth of the current budget) and the Area Operating Fund (up to one third of the current budget), but excluding the Delegates' Fund and the Pink Can Plan budget line items - shall never exceed one half (1/2) the current year's annual budget. (i.e. six months budgeted expenditures, but not including the Pink Can Plan line items).
5. The Delegate's Account shall never exceed the amount that it has been set forth to represent. The account is divided into two funds that will be reported separately:
 - a) \$1000.00 for the Delegate's International Fund which is set up to defray costs for the Delegate to attend the International Convention.
 - b) The amount that is requested as a contribution from the General Service Office for the Delegate's attendance at the annual General Service Conference.
6. All the above mentioned caps shall be rounded off, up or down, to the nearest \$100.00 and these rounded off caps shall be printed on the face of the annual budget.
7. Any excess over the limitation of one half of the current year's annual budget, but excluding the Pink Can Plan budget line items, shall be first used to fulfill any known and existing obligations of the Area. Remaining funds shall be used to build the Delegate's Funds up to their required balances (both the annual sum for the General Service Conference and the five year accumulation for the International Convention.) Any remaining excess shall be contributed to the General Service Office of Alcoholics Anonymous.
8. The Reserve Fund exists to ensure the Area can survive an emergency. It shall be built up to its cap as soon as reasonably possible, for when not at its maximum, its value is severely diminished. It should not be thought of as simply another source of

funds for the Area, but rather should be drawn upon only in case of emergency.

9. In the absence of sufficient operating funds to cover expenses, the Reserve Fund shall be used to pay Area Expenses according to the following priority:
 - a) Vendor Accounts
 - b) Delegate's General Service Conference Expenses
 - c) Assembly Expenses
 - d) Other Delegate Expenses
 - e) Officers Expenses
 - f) Standing Committee Chairs Expenses
 - g) Standing Committee Expenses

10. In the event the Reserve Fund has to be used, only enough will be transferred to the Operating Fund at a time to pay the bills due. When a month has gone by without having to access the Reserve Fund, regular \$150.00 transfers from the Operating Fund to the Reserve Fund will resume - thus ending the priority disbursement procedure.