



Southwest Ohio General Service Area 56

P.O. Box 684 Dayton, OH 45401

Fiscal Policy

Section 1

The Purpose of the Fiscal Policy

The A.A. principle of self-support, wherein “money and spirituality mix,” furthers our primary purpose of carrying the message of recovery. The purpose of the Area 56 Fiscal Policy is to provide guidance for the handling of Area 56 funds in support of both the principle of self-support and the stated mission of the Area. The Area panel members act as stewards of the funds in order to ensure that anyone who wants to serve in Area 56 is not prevented from doing so by a lack of personal means. The Treasurer guides Area communication about its financial position, including information about what funds have been received, how they have been spent and what funds are available to our members and committees to support their service work. The annual budget process, guided by the Alternate Delegate/Area Chairperson, allows the Area as a whole to reach an informed group conscience as to Area plans and spending priorities and to establish the stated A.A. purpose of the Area treasury. The income and spending cycle for the Area must be characterized by the highest possible degree of transparency, simplicity and fairness to all involved.

Overview

1. ***We operate on a cash basis.*** This means that Income is recognized when it is received and Expenses are recognized when they are paid out. Anticipated expenses or liabilities can be noted on the Area reports, but they are not counted as expenses until we pay them (by check or debit/credit card). Area 56 does not borrow money or take on debt of any sort.
2. ***We operate through the use of a budget.*** Projects, activities and normal, necessary, and ordinary spending is planned through the annual Area budget. The Approved Area Budget is the stated A.A. purpose of the Area funds.
3. The Area Treasurer and the Alternate Delegate/Area Chairperson are the primary overseers of Area 56 finances. They are responsible for the receipt of income, the payment of expenses, adherence to the budget, and the maintenance of Area funds. They are also responsible for the primary communication with the Area on the status of our finances. Area 56 does not borrow money or take on debt of any sort.
4. Area 56 will not sell any literature or other items that require the collection of sales tax.

5. ***Policy and Procedure Definitions:***

Policy: Required items and actions that the Area Assembly has adopted. Policy lists the logic behind the requirements, and cites the AA Principles on which they are based. Policy is voted on by the Area Assembly. Policy answers the questions: **what are we doing?** and **why are we doing this?**

Procedure: Suggested service guidelines that outline ways of performing the job at hand. They need not be approved by the Area Assembly. They do not override right of decision, and can be changed by the person responsible for performing the task. More than one procedure may be offered. Procedure answers the question: **how do we do this?**

Governmental Filings:

1. **Federal Filing:** The Treasurer is responsible for filing with the IRS. Currently we file the Form 990N – epostcard at www.irs.gov. It is Area 56 policy to file every year. A copy of the receipt should be forwarded to the Delegate, Alternate Delegate/Area Chairperson, and the Area Archivist. Normally, this is **due on May 15**. Late filings are generally not permitted.
2. **State Filing:** The Treasurer is responsible for filing with the Attorney General of the State of Ohio. We are required to file every year. On time filing is critical. The form, “Annual Financial Report of Charitable Organization” can be found at www.OhioAttorneyGeneral.gov. Normally, this is due on the same date as the Federal filing, **on May 15**.
3. **Tax Exemption Certificates:** The Alternate Delegate/Area Chairperson holds the original certificate. Trusted servants making purchases can obtain copies from the Alternate Delegate/Area Chairperson or the Treasurer. Unused certificate copies shall be returned to the Treasurer or be destroyed. The certificate exempts us only from Ohio sales tax.

Section 2

Area Funds

The Operating Fund: This is the fund that receives all contributions and is used to pay all of the Area’s expenses. It is the checking account.

The Prudent Reserve:

The Intent:

The Prudent Reserve allows the Area to continue operating if contributions suddenly or unexpectedly decline. It gives the Area time to find and fix problems and readjust its spending. It primarily provides savings that will allow us to send our Delegate to the General Service Conference

despite any fiscal calamity. It should contain a minimum amount that would not be spent unless the Area is in a financial crisis. It provides a cushion and backup for the Mini-Conference and its associated expenses.

In Practice:

1. The Prudent Reserve is kept in a separate interest bearing bank account. Prudent Reserve Minimum: We will keep a minimum amount equal to the suggested Delegate's Seating Contribution in the Prudent Reserve at all times.
2. Prudent Reserve Maximum: It equals the budget line item amount for the upcoming Mini-Conference plus the estimated lodging budget for the Area Officers and Area Committee Chairpersons plus the suggested Delegate's Seating Contribution.

Excess Funds:

The Area Delegate and Area Officers will monitor the size of the Operating Fund and the Prudent Reserve. Should the Area have excess funds, the Area Delegate and Area Officers may recommend to the Area Assembly that a donation be made to the General Service Office.

Other Funds:

The Past Due Postal Account is money we deposit in an account at the Post Office. When mail is returned as undeliverable to our post office box, the Post Office takes the postage due for it out of our account. We accept postage due mail so we know which addresses on our mailing list are not getting through. The Treasurer will monitor the fund to make sure that there is enough money to pay for our postage due mail. The Treasurer will refill the account as necessary.

The Bulk Mail Trust Deposit Postal Account is money we deposit in an account at the Post Office from which we send our bulk mailing. When our monthly minutes and other bulk mailings are brought to the Post Office, the postage for it is deducted out of this account. The Treasurer will monitor the fund to make sure that there is enough money to pay for our bulk mail postage. The Treasurer will refill the account as necessary.

Budget Policy

The purpose of the Area Budget is to provide an approved spending plan for payment of the ordinary, necessary and planned expenses of the Area. The budget supports the work of the Area, while also setting limits on spending. Once approved, the budget reflects the stated AA purpose of the Area funds.

Definitions:

1. **Proposed Budget:** It is an estimate of future income and expenses. It sets limits on spending and estimates contribution and other types of income for the next year. It is presented to the Assembly for a vote by the Alternate Delegate/Area Chairperson.

2. **Approved Budget:** Once the Proposed Budget is brought to the Assembly, it can be revised before a final vote. The Proposed Budget with any revisions which have been approved by the Area Assembly vote is the Approved Budget.
3. **Actual Income and Expenses Report:** This is the record of the real income received and real expenses paid out. The Treasurer categorizes the contributions and other incomes received as well as the expenses paid into the line items of the Approved Budget. Tracking the Actual Expenses is the responsibility of the Treasurer.
4. **Additional Requests for Funding:** These are motions brought before the Area Assembly to ask for funding for activities and projects which were not included in the Approved Budget. They may also be requests for funding when a line item's yearly budgeted amount has been or will soon be exceeded.
5. **Approved Additional Funding:** This is the amount of money approved by the Area Assembly for activities and projects that were not included in the Approved Budget, or to extend funding for a line item that has or will soon exceed its yearly budgeted amount.
6. **In-Kind Contributions:** In-Kind contributions are any donations of goods or expenses that are eligible for reimbursement, for which reimbursement is not requested. They must be accompanied by a receipt and expense report and the Treasurer will give the donor a receipt. An example of an In-Kind donation could be the amount paid to a hotel for the room charge of an officer at the State Convention.
7. **In-Kind Mileage Contributions:** In-Kind mileage contributions are donations of mileage driven and eligible for reimbursement, for which reimbursement is not requested. They must be accompanied by the same proof of mileage and expense report that reimbursed mileage requires.

The Spending and Income Cycles. In Area 56, our income is steady. We receive roughly the same amount of money each month, usually with slight increases in January and July. Our spending cycle is cyclical. We spend about 60% of our budget in February, March and April. These are the months we hold our Mini-Conference, pay our Delegate's Seating Contribution for the General Service Conference, and send our Officers to other Ohio Mini-Conferences. As a result, we build up cash from May to the end of the year to pay for the expenses that come in from February to April.

Budget Guidelines:

1. Preparation of the Area Budget for approval by the Area Assembly is the responsibility of the Alternate Delegate/Area Chairperson. The written, proposed budget for the next calendar year is best presented in October, but no later than November, and brought to a vote in December.
2. The Delegate, Area Officers and Area Committee Chairpersons will plan proposed budgets for their offices and committees and submit them to the Alternate Delegate/Area Chairperson. The Alternate Delegate/Area Chairperson will use these preliminary budgets to compile a master budget for the Area.
3. Once approved, expenditures listed as line items in the budget will not need subsequent approval by the Assembly.
4. The Delegate and Area Officers will keep track of their own spending in order to remain within their respective budgets. Each Area Committee Chairperson keeps track of his or her committee's spending in order to stay within the committee's budget. If the budget has been used, and additional funds are required, a request for added funds must be brought to the Area Assembly for approval.

5. Requests for funding items not included in the Approved Budget should be brought to the Area Assembly for approval. Any unexpected expenses that occur and cannot be brought before the Assembly, usually because there is not enough time, can be approved by a vote of the five Area 56 panel members. The expense must not exceed \$300 per request and requires the approval of four out of the five Area 56 panel members.
6. The Area Delegate and Officers will monitor the budget and reduce spending should income decline or if funds are not available in the Operating Fund. They will ensure that there will always be a floor amount of funds in the Prudent Reserve. [from Funds, Prudent Reserve: Prudent Reserve Minimum: We will keep a minimum amount equal to the suggested Delegate's Seating Contribution in the Prudent Reserve at all times.]
7. See the Spending Approval Process for a list of Conferences and Conventions paid for by the Area.
8. Tracking the Actual Income and Expenses Report is the responsibility of the Treasurer.

Section 3

Spending Approval

Spending Approval: Methods

There are three methods of Spending Approval. They are:

1. **Assembly Vote:** The Assembly has delegated authority from the groups to decide on all appropriations of funds. When it approves the budget, it approves the expenses listed in the budget. The Assembly also approves additional requests for funding for items that were not included in the budget. It is best that expenses be brought before the Assembly whenever possible.
2. **The Budget Process:** When the Area Assembly approves the budget, it approves the expenses listed in the line items in the budget. Once approved, expenditures listed as line items in the budget will not need subsequent approval by the Assembly. This process enables trusted servants to plan their work more effectively and frees the Area Assembly from repetitive, time-consuming votes for funding.
3. **Officers' Right of Decision:** This is used for unbudgeted or over-budget expenses that arise quickly and leave no time to bring a request for additional funding to the Assembly. However, these unexpected expenses can be approved by a vote of four out of the five Area 56 panel members, limited to a maximum of \$300. It is important that the panel members use their delegated authority to act on the Area's behalf, but it is equally vital that the Area Assembly be informed and consulted as much as possible. The Delegate and Area Officers can help people find other solutions that don't require more money, such as delegation and alternative actions.

The Delegate and the Alternate Delegate/Area Chairperson have the authority to sign contracts with outside vendors. This is necessary to organize conferences and conventions. At least two persons who are serving in Area 56 must agree that the contract and its terms are

acceptable. The rest of the panel should be notified of the contract and its terms as soon as possible.

Spending Approval: Reimbursement

The Intent:

The Standard for reimbursement. We reimburse Area trusted servants for the expenses they incur while **conducting Area business**. Area business includes representing the Area at conferences, workshops, as well as Group, Intergroup and District meetings. Before we ask for reimbursement, we ask ourselves and each other, “Would I do this if I wasn’t on Area business?”

Trusted servants are reimbursed for their expenses because no one should be prevented from doing Area service work because they cannot cover the expenses of their service commitment. The Area reimburses its trusted servants in order to be self-supporting; trusted servants do the work of the whole Area and we ought to pay the costs of doing that work.

In Practice:

Expenses and Purchases: Receipts are **required** for any reimbursement. We need the receipts so we can show the Area that we are accountable, careful and responsible with their money. Area Committee Chairs and Area Officers are responsible tracking their own spending/budgets. Committee members should clear their expenses with their Area Committee Chairperson before any expenses are incurred.

Receipts are needed for reimbursement and for tracking purposes, therefore any expense that does not generate a receipt, other than mileage, must be cleared by the Treasurer or Alternate Delegate/Area Chairperson **before** it is incurred. This includes expenses that are within the Area Committee Chairperson or Area Officers’ approved budgets and that have been authorized by the Committee Chairperson.

Equipment: Plans for all purchases and repairs of equipment that are within budget are best brought to the Area Planning meeting for discussion and vote. Equipment would include but not be limited to purchases or repairs to: coffeepots, computers and peripherals, printers, software and sound equipment, or any item that is expected to last more than one year. Equipment purchases need the approval of four out of five panel members.

Mileage Reimbursement: Mileage builds unity by allowing the Delegate, Area Officers, and Area Committee Chairpersons to visit the groups and represent our Area. Mileage is a special case because it is a regularly occurring expense that does not generate a receipt.

In Practice:

Mileage: We reimburse Area Officers and Area Committee Chairpersons at \$.25 per mile. We reimburse only the driver and we encourage carpooling. We ask that the driver provide documentation. They should include the purpose of the trip, starting point and destination of the trip, and the mileage on the expense sheet. A MapQuest mileage sheet is preferred. Any other trusted servant who is not an Area Officer or Area Committee Chairperson should clear

such an expense with their committee chairperson, or the Treasurer or Alternate Delegate/Area Chairperson.

Example:

Intergroup: We reimburse the Delegate and Alternate Delegate/Area Chairperson every month they attend. An Area Committee Chairperson or other Area Officer would be reimbursed only when conducting Area business or representing the Area for a specific reason.

Spending Approval: Conferences and Conventions

In order to build unity between the groups in Area 56 and AA as a whole, we send our panel members to AA Conferences and Conventions. Our trusted servants meet with those from other Areas in the East Central Region to share their experience, strength and hope. They have the opportunity to exchange information with staff members from the General Service Office and Trustees of the General Service Board. Participation in these events strengthens the leadership, communication and effectiveness of Area 56.

As the Area's budget and funding allows, we will cover the costs as follows:

Lodging Costs:

1. Area 56 will pay for 2 nights lodging for the Delegate and Alternate Delegate/Area Chairperson to attend: the Area 56 Mini-Conference, the Ohio State Convention, the East Central Regional Forum, the Conference of Delegates Past and Present, the Mini-Conferences for Areas 53, 54 and 55, the East Central Regional Conference and Additional Forums.
2. Area 56 will provide a minimum of \$600 to the Delegate one month prior to the International Convention, to defray costs if the Delegate chooses to go to the International Convention. This expense occurs every 5 years.
3. Area 56 will pay for 2 nights lodging for the Area Officers to attend: the Area 56 Mini-Conference, the Ohio State Convention, the East Central Regional Forum, and one additional Ohio Area Mini-Conference of the officers' choosing.
4. Area 56 will pay for 2 nights lodging for the Immediate Past Delegate to attend the Area 56 Mini-Conference and the Conference of Delegates Past and Present.
5. Area 56 will pay for 2 nights lodging for persons serving at the Area 56 Mini-Conference. These persons include: those who are chairing or co-chairing the discussion sessions, whether they are Area Committee Chairpersons or other trusted servants; the Hospitality Chairperson; the person handling the sound system and recordings. It will also include two guests: a representative from GSO, a Trustee, or a Speaker.

6. Anyone who wishes to attend any other conferences or conventions must include the request in their annual budget proposal and submit it to the Alternate Delegate/Area Chairperson to be included in the proposed budget. To attend a conference or convention that is not included in the approved budget, a motion for additional funding may be brought to the Area Assembly for a vote and approval. It is important that Area 56 Members participate in regional events when possible, in order to increase unity within our East Central Region.

Convention Travel Costs:

1. For persons attending the above mentioned conferences, we will cover the costs of the registration fees for these Conferences and Conventions. We will cover the costs of mileage and other appropriate transportation expenses, such as tolls and parking fees. For the Delegate and Officers only, we will cover the costs for the banquet at these events. For the Delegate and Officers only, we will reimburse a maximum of \$15 per day for meals (in addition to the banquet), and receipts must be provided.
2. Meals, registrations and extra person fees for spouses are the responsibility of the individual. Room sharing and carpooling are encouraged.

Section 4

Reporting to the Fellowship:

1. **Monthly Treasurer's Report:** The report shall list: All income received for the month, each expense paid out, both the beginning and ending monthly balances of the Operating Fund and the Prudent Reserve. The treasurer will also list any large (over \$100) anticipated bills or expenses.
2. **Budget Comparison:** Quarterly, the Treasurer will prepare and present to the Area a comparison of the Actual Income and Expense Report with the Approved Budget. It should include a comparison of actual year-to-date total income and total expenses with the yearly income and expenses of the Approved Budget. It should tell the Area if we are actually over or under our Approved Budget income and expenses.
3. **End-of-Year Summary:** The Treasurer will prepare an end-of-year summary of: All income received for the year, all expenses paid out for the year, both the beginning and ending yearly balances of the Operating Fund and the Prudent Reserve. The Treasurer will also list any unusual or large (over \$300) anticipated bills or expenses.
4. **Groups' Contributions List:** Every six months, the Treasurer will publish a list of each group's contributions to the Area for that period of time. This report will be mailed to the groups with the minutes. The Treasurer may opt to send out the list quarterly instead of bi-annually.
5. **Self-Support Letter:** The Treasurer is responsible for choosing a person to write an annual letter to the groups on Self-Support. It should thank the groups for their support and let the

groups know what Area 56 has done with their contributions. It ought to be mailed with the minutes and submitted to local AA newsletters for publication.

Banking and Record-keeping Policies:

1. Area 56 will accept contributions using the same guidelines as the General Service Office of AA. We will accept donations only from members and groups of Alcoholics Anonymous. Individuals may not give more per year than is allowed and accepted by the General Service Conference.
2. All Treasury records will be available to any member of Alcoholics Anonymous upon request.
3. The Operating Fund will be kept in a bank account. Expenses ought to be paid by check whenever possible. Debit/credit cards ought to be used sparingly and only when issuing a check is impossible or impractical. Use of cash should be avoided, if possible.
4. The Prudent Reserve will be kept in an interest-bearing bank account.
5. Debit/credit cards are to be issued to the Delegate, the Alternate Delegate/Area Chairperson, and the Treasurer. The Delegate, the Alternate Delegate/Area Chairperson, and the Treasurer are to have access to all bank accounts and are authorized to sign checks. It is best if the Treasurer or any person authorized to sign Area checks does not write checks out to him/herself or a family member.
6. The Treasurer may want to prepare a written monthly Bank Reconciliation, listing each outstanding check and any deposits in transit.
7. The Treasurer may want to bring the current year's Monthly Treasurer's Reports, the current year-to-date Actual Income and Expense Budget, the current year-to-date bank statements, and the most recent bank reconciliation to each Area Assembly and Area Committee Meeting.
8. The five Area panel members should meet to review the Treasury Records quarterly.