

Financial Policy

District 13

Area 36 (Southern Minnesota)

March 1995
(Revised) May 1998
(Revised) April 2010
(Revised) February 2024

Table of Contents

Section One
Financial Policy Page 3

Section Two
Budgeting Process.....Page 5

Section Three
Treasurer's Responsibility
& Banking Procedures..... Page 7

Section Four
Self – SupportPage 9

Section Five
Expense Reimbursement Page 10

Section Six
Limitation of Accumulated Funds..... Page 12

Section Seven
Requirements for Accessing Prudent
Reserve FundsPage 13

Section One

Financial Policy

1. The purpose of this document is to bring together, under one cover, all financial policies of District 13. It is meant to be general in nature; the guiding principles are to be found in the *A.A. Service Manual Combined with Twelve Concepts for World Services*, and *The Twelve Steps and Twelve Traditions*.
2. To promote uniformity and continuity of the financial policy for District 13 within the service structure guidelines set forth in the *A.A. Service Manual*, District 13 has a primary purpose – to carry A.A.'s message of recovery to the still suffering alcoholic. All financial decisions should be made in furtherance of our primary purpose.
3. To meet our primary purpose, the following are of paramount importance in our service work:
 - a. To preserve and protect the service structure of Alcoholics Anonymous so we can be assured that this program will be available to those who come to A.A. seeking sobriety.
 - b. To provide a means of communication within the fellowship, so all A.A. members can be aware of current events and concerns throughout the fellowship.
4. To accomplish the above objectives, General Service Representatives elect District officers and the District Committee Member appoints standing committee chairpersons, as outlined in *The A.A. Service Manual*. District funds will be provided for reimbursement of our trusted servants for the expenses incurred in carrying out the services needed to function as a district. These expenses consist of (but are not limited to) travel expenses, materials and supplies, and costs associated with meeting places necessary to carry out these services.
5. District 13 Officers are the custodians of the funds provided by the groups and must show extreme diligence and prudence in spending these funds. They must be able to assure the membership that District funds will be used judiciously and wisely - for the benefit of the still suffering alcoholic and A.A. members. Above all, we ask the groups to trust their "trusted servants."

6. The following categories will be addressed in the remainder of this policy:

- II. Budgeting Process
- III. Treasurer's Responsibility & Banking Procedures
- IV. Self – Support
- V. Expense Reimbursement
- VI. Limitation of Accumulated Funds
- VII. Requirement for Accessing Prudent Reserve Funds

7. This financial policy may be amended by substantial unanimity (two-thirds majority vote) of the District meeting.

Section Two

Budgeting Process

1. District 13's fiscal year is the calendar year from January 1st to December 31st.
2. District 13 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 substantial unanimity (a 2/3 majority vote) at a regularly scheduled District meeting.
3. The DCM will have primary responsibility for facilitating the preparation of the annual budget. The DCM shall call upon each Standing Committee Chair and Officer to prepare an itemized budget for each standing committee, officer and District project.
4. These itemized budgets should be prudent estimates 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. These individual committee, project, and officer budgets will be collected by the DCM.
5. The DCM and Treasurer will compare and review a budget that includes each committee utilizing the information received. Together they will determine whether funds should be budgeted for a particular project and/or an adjustment is necessary to keep the proposed expenses consistent with projected contributions. In determining whether funds should be budgeted for a particular project, guidance should be sought from the primary objectives of District 13, as described in Section One, Paragraphs 2 and 3.
6. The Treasurer will prepare financial reports reflecting the current year income and expenses vs: previous year income and expenses, and current year income and expenses vs. current year budget. This information will also be used by the DCM and the Treasurer in planning a proposed budget for the next year. The overall budget shall then be introduced to the District by the November meeting to be reviewed by the groups and brought to the December District meeting for discussion, proposed amendments, and final approval. Once approved, expenditures included in the budget will not need subsequent approval by the District.

7. Travel expenses to be budgeted shall be based on the following: District Officers and Standing Committee Chairs attending all Area 36 calendar events and shall include registration fees for these events and the DCM or Alt DCM to attend the West Central Regional AA Service Conference and the West Central Regional Forum (every other year). Any other travel by the Standing Committee Chairs and District Officers for committee work or service to the District shall be included as a line item in their respective itemized budgets.
8. Availability of sufficient funds should always be verified with the Treasurer before incurring expenses.
9. In budgeting for communication within the fellowship, consideration shall be given to using the existing General Service structure as well as the District 13 website.

Section Three

Treasurer's Responsibility & Banking Procedures

1. All District funds shall be maintained in bank accounts in the name of District 13. All expenditures from District accounts shall require the signature of two of the following officers: DCM, Treasurer, or Secretary. As a matter of policy, none of these officers shall sign blank checks.
2. The District Reserve Fund shall be kept in an interest-bearing account separate from the District checking account. The balance of the Reserve Fund should not exceed one-sixth (1/6) of the current year's budget.
3. The Reserve Fund exists to ensure the District can meet its financial obligations. If funds are withdrawn from the Reserve Fund, it shall be replenished as soon as reasonably possible. It should not be thought of as another source of funds for the District, but rather should be drawn upon only in case of emergency.
4. In the case of insufficient funds to pay debts incurred by the District, the Treasurer shall immediately inform the DCM, who is the final arbiter in prioritizing outstanding bills according to the procedure outlined in Section Six, Paragraph 6.
5. The Treasurer prepares financial reports in advance of District meetings showing all contributions, expenditures, and the checking account balance. The trial balance sheets shall also be made available to any member of Alcoholics Anonymous at the District meeting.
6. The Treasurer shall, upon receipt of the monthly banking statement, reconcile the District records to the statement.
7. The Treasurer shall maintain a Financial Data Notebook which contains the budget as approved by the District, a list of all contributions received, a listing of all expenses paid and an accounting of each budget item against which expenses have been charged.
8. The Treasurer shall, when attending District meetings, have in his/her possession the Financial Data Notebook and the most recent checking account statement. This information shall be available to any member of Alcoholics Anonymous for their review.

9. The Treasurer shall publish in the Balance Sheet, a listing of the groups that contributed since the last District meeting.
10. Requests for reimbursement shall be submitted on a form provided by the Treasurer. The Treasurer shall not be required to issue any checks against expense reimbursement requests submitted at the District meeting, but may do so if it can be done in an orderly fashion. It is recommended that reimbursement forms be submitted to the Treasurer in a timely manner to ensure that the necessary funds are available.
11. On an annual basis the Treasurer calculates the reimbursement rate for mileage as a midpoint between the IRS' charitable rate and the business rate for the current year. The reimbursement form should reflect this rate.
12. The District will accept contributions using the same guidelines as the General Service Office of Alcoholics Anonymous. The Treasurer shall monitor individual contributions to ensure that no individual contributes more than the maximum allowed by the General Service Conference. Individuals and groups who wish to remain anonymous will have their contributions recorded as "Anonymous."
13. Individuals who have reimbursement expenses but do not wish reimbursement will receive an acknowledgement of their "in kind" contributions equal to the amount shown on the submitted documentation. These "in kind" contributions may also be kept anonymous, following the procedures outlined in item 12 of this Section.
14. The Treasurer is the chairperson of the Finance Committee. The Finance Committee is made up of the Chair and 4-5 other members from the District. The Finance Committee shall be responsible for self-support efforts including sending a quarterly finance letter 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. The Finance Committee will review the finance policy once per rotation for relevance to current District practices.

Section Four

Self-Support

1. The District Finance Committee will prepare and distribute the self-support letters as needed.
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 District is involved with, focusing on where the District expects to expend the requested contributions.
3. While the responsibility for preparing and distributing self-support letters shall reside with the District 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 District's financial situation as well as the nature of the projects the District is coordinating.
 - c. **District Officers and Standing Committee Chairs** are responsible not only for informing the District of funding needs, but also ensuring the funds are expended prudently and wisely, in adherence with the District's collective group conscience as expressed in the annual budget.

Section Five

Expense Reimbursement

1. Expenses incurred by District Officers and District Committee Chairs in the course of District business shall be reimbursed; generally, expenses incurred in furtherance of a project or committee expenditure already approved within the District Budget. Thus, when completing an expense reimbursement form, it should be indicated what project or committee the reimbursement should be applied to. This will allow the Treasurer to keep accurate records. Receipts must be presented with the reimbursement form in order to be reimbursed.
2. The authority to spend District funds carries with it a concurrent responsibility to ensure the funds to be disbursed are available. Thus, any expenditure of District funds in excess of \$100.00 should be cleared with the Treasurer prior to incurring the expense. In case of regularly occurring expenditures, the Treasurer can be provided with a schedule of the anticipated costs and their approximate date, rather than contacting the Treasurer on each occasion.
3. Contracting with outside vendors brings the name of Alcoholics Anonymous into the public eye; therefore, it is vital to obtain prior expenditure approval when dealing with vendors outside the fellowship and to include the DCM in the process as the DCM is the trusted servant authorized to sign contracts.
4. The following shall act as a guide in reimbursement of travel expenses incurred:
 - a. Mileage shall be reimbursed at the budgeted rate as outlined in Section Three, Paragraph 11. Mileage budgets are set assuming "**eligible persons**"* will carpool.
 - b. When carpooling, only the driver shall be reimbursed.
 - c. To be reimbursed for Area Committee Meetings, the requestor needs to have a corresponding **standing committee responsibility***. For exceptions to the above, contact the Treasurer.
 - d. Hotel room reimbursement for the DCM or Alt DCM shall be made for 2 nights at the West Central Regional A.A. Service Conference and 2 nights at the Regional Forum (every other year). Whenever possible, room sharing is encouraged.

5. Some may choose to make an “in-kind contribution” or “partial in-kind contribution” towards their travel expense. A reimbursement form still needs to be completed indicating the amount of reimbursement and "in-kind" contribution for future budgeting purposes.
6. Written reports must also be submitted with the reimbursement form. As always, oral reports will be given at the District meeting.
7. Prudence is of the utmost importance in spending the District’s funds. Therefore, the following guidelines have been set forth for the approval of unbudgeted expenses:
 - a. Expenses that are outside of a Committee’s budget but below \$100.00 must be carefully considered by the DCM and Treasurer. They should consider whether the requested amount warrants review by the District. The DCM may consult with other Officers or Standing Committee Chairs and may place it on the next District meeting agenda for discussion.
 - b. When a Standing Committee Chair or District Officer requests approval for an expense that is \$100.00 or greater that has not previously been approved by the District as a budget item, the proposed expense must be presented to the District and approved by substantial unanimity (a 2/3 majority vote) before it may be incurred.

* "Eligible Person" = District Officers and District Committee Chairpersons.

Section Six

Limitation of Accumulated Funds

1. The Prudent Reserve Funds will be kept in a separate, interest-bearing account.
2. The total amount of the Reserve Funds shall not exceed one-sixth (1/6) of the current year's annual budget (i.e. two months of budgeted expenditures).
3. In order to ensure that the Reserve Fund does not exceed one-sixth (1/6) of the current year's annual budget, the following process must be completed after the annual budget has been approved by the District.
 - a. Determine what amount equals one-sixth (1/6) of the budget. Compare the amount between one-sixth (1/6) of the annual budget and the Reserve Fund to determine if there is a difference.
 - b. If the Reserve Fund is less than one-sixth, it should be increased by adding funds via the process in Section Six, Paragraph 4.
 - c. If the Reserve Fund is more than one-sixth (1/6) of the annual budget, the funds over 1/6 should be moved to the Operating Fund via the process in Section Seven, Paragraphs 1-6.
4. The Reserve Fund shall be built up as soon as possible. If the Reserve Fund is at its cap, then the Operating Fund shall be allowed to grow.
5. The Reserve Fund exists to ensure the District can survive an emergency. It shall be built up to its cap as soon as reasonably possibly, for when not at its maximum, its value is severely diminished. It should not be thought upon as simply another source of funds for the District, but rather should be drawn upon only in case of emergency.
6. In the absence of sufficient operating funds to cover expenses, the Reserve Fund shall be used to pay District expenses in the following priority:
 - a. Vendor Accounts
 - b. District Meeting Expenses
 - c. Officer Expenses
 - d. Standing Committee Expenses

Section Seven

Requirement for Accessing Prudent Reserve Funds

1. In the event the Reserve Fund is needed to cover an expense, only enough will be transferred to the Operating Fund at a time to pay the bills due. When one month has gone by without having to access the Reserve Fund, regular transfers from the Operating Fund to the Reserve Fund will resume – thus ending the priority disbursement procedures.
2. The funds removed from the Prudent Reserve can be used for operating expenses only.
3. Any funds withdrawn from the Prudent Reserve will be replaced as soon as possible.
4. In the event funds from the Prudent Reserve must be withdrawn, the Finance Committee must be notified and a meeting will be called consisting of the Finance Committee, the District Officers, and the District Committee Chairs.
5. To take funds out of the Prudent Reserve, it must be approved by the Finance Committee, plus 3 of the 4 officers listed below:
 - a. DCM
 - b. Alt DCM
 - c. Treasurer
 - d. Secretary
6. In the event funds must be transferred from the Reserve Fund, the transfer will require the signature of both the DCM and the Treasurer.