

DELAWARE AREA 12
GENERAL SERVICE ASSEMBLY

FINANCIAL MANAGEMENT GUIDELINES

2007

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The Delaware General Service Assembly has adopted these guidelines over the past 13 years, and they are to be republished annually, by the Chairman of the Finance committee, in order to pass the benefits of the collective group conscious of the past on to the next Assembly. A condensed version is also included in the "Service Manual" that was published in 2005.

August 20, 2007

DELEWARE AREA GENERAL SERVICE ASSEMBLY

RESPONSIBILITIES OF THE FINANCE COMMITTEE AND TREASURER

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| Treasurer | A.) All banking |
| | B.) Records and deposits all funds received |
| | C.) Prepares and records all payments for expenses |
| | D.) Maintains financial and bookkeeping records |
| | E.) Assures that the accounting for the Assembly and Convention Committee is performed in Quicken, or similar accounting program |
| | F.) Prepares and presents financial statements to the Area Committee and then the Area Assembly |
| | G.) Prepares Federal and State tax filings, if necessary |
| | H.) Upon completion of the Financial review by the Finance Chairperson, turns over the original financial documentation, and an electronic copy of the accounting file, to the Archives |
| | |
| Finance Committee | A.) As described in the following section, compiles budget requests and presents them to the Area Committee, and then the Assembly. |
| | B.) Reviews financial statements prepared by the Treasurer. |
| | C.) Drafts financial guidelines/policy for consideration by the Area Committee and the Assembly. |
| | D.) Performs annual review of the financial records and submits a final report to the Area Assembly at its first meeting in the new year. In the "Rotation" years, the outgoing Finance Chair performs that review. |
| | E.) As a part of the annual review, the Finance Chair updates the "Financial Management Guidelines" to reflect any changes that have taken place during the year and republishes them to the Assembly. |

PRUDENT RESERVES

The policy of the Assembly serves the same purpose as the GSO guidelines to the groups in establishing their policy. It is to assure that, after all obligations are paid, enough reserve is held to assure that the message can be continued to be carried until the reserve can be built back up. In short, it is the minimum level, below which, budget reductions need to be considered. Conversely, amounts above that level can be made available for expanding carrying the message. Because of the unique financial characteristics of the annual convention, the prudent reserve policy is in two parts;

Area Assembly

Experience has shown that, for any given year, a budgeted ending reserve equal to 40% of the budgeted expenses will assure that the Assembly will be able to meet its financial obligations during the year.

Convention Committee

Experience has also shown that, between the end of one convention's financial activity in September until the registrations for the next convention begin to be received the following February, the Convention Committee will spend \$2500 - \$3000. Therefore, to avoid using the Assembly's "basket money", the Convention Committees' prudent reserve as of the end of at the end of each Convention is \$3,500.

BUDGET PROCESS

I. PREPARATION

A. OFFICERS / COMMITTEE CHAIRPERSONS

Each officer/chairperson is responsible for preparing a budget of the expenses and income (if any) for his/her area of responsibility, with the Area Chairperson, preparing the budget(s) for any vacant position(s). Each budget is then submitted to the Finance Chairperson;

- 1.) Prior to the beginning of the calendar year (the specific schedule for each year will be announced by the Finance Chairperson at the October Assembly meeting).
- 2.) At any time that the officer/chairperson finds that there will be a significant change from a previously approved budget.

In either case, the officer/chairperson is to include a description of the service goals / objectives for the year, and any other information that can aid the review of the budget.

B. FINANCE COMMITTEE

The Finance Committee receives the budgets from the officers / chairpersons, compiles them into a single Assembly-wide budget, and reviews the budget for consistency with the Assembly's financial goals and objectives. The Finance Committee will attempt to resolve any problems found or questions raised directly with the officer/chairperson involved. The Finance Chairperson then presents the budget to the Area Committee, and then the Assembly;

- 1.) October – Area Committee - Preliminary Budget.
- 2.) November (if Necessary) - Area Committee - Preliminary Budget.
- 3.) December – Area Assembly - Preliminary Budget
- 4.) January - Area Committee - Preliminary Budget revised to reflect prior years' actual Results.
- 5.) February – Area Assembly - Budget
- 6.) Other - Revisions as needed (see below). with the Committee's recommendations.

C. AREA COMMITTEE

The Area Committee reviews the Assembly Budgets for consistency with both the financial and service goals and objectives of the Area Assembly, and includes it's recommendations to the Area Assembly with those of the Finance Committee. As with the Finance Committee, the Area Committee will attempt to resolve any problems/questions that are raised before submission to the Assembly. The Area Committee may also request budget revisions if it finds reason to believe that a revision is warranted.

D. AREA ASSEMBLY

The Assembly reviews the budgets and recommendations submitted by the Finance Committee, with the recommendations of the Area Committee, and;

- 1.) Adopts the budget with or without amendments.
- 2.) Rejects the budget with specific instructions to the Finance Committee for modifications.
- 3.) Tables the budget for discussion at the next Assembly meeting.

II. BUDGET REVISIONS

A. OFFICERS / COMMITTEE CHAIRPERSONS

Officers and chairpersons may not authorize expenses that will result in exceeding their budget. Therefore, before exceeding the budget, the officer/chairperson must submit a revised budget, with an explanation of the reason for the revision, to the Finance Committee Chairperson. Likewise, the officer / chairperson is expected to submit a budget revision in any case where it becomes clear that his/her net expenses will be significantly under budget. In either case, the old budget remains in effect until the new is approved.

B. FINANCE COMMITTEE

The Finance chairperson will submit all revision requests to the Committee for review. The Finance Committee may approve any revision that:

- 1.) Reduces expenses (net of income), or
- 2.) Increases expenses (net of income) up to \$100, provided that the net of all such requests does not exceed \$500 and the reserves will not drop below the prudent level.

C. FINANCE CHAIRPERSON

Reports all budget revision requests to the Area Committee, with the Finance Committee's disposition and / or recommendations, prior to the next Area Committee meeting.

D. AREA COMMITTEE

At it's discretion, the Area Committee may approve budget revision requests that exceed the Finance Committee's authority, provided that the net increase in expenses from all revision requests does not exceed \$1,000.

E. FINANCE CHAIRPERSON

Regardless of the level at which the decisions are made, the Finance Chairperson will;

- 1.) Present a Revised Budget to the Area Assembly at it's next meeting that contains both revisions approved by either the Finance Committee or the Area Committee, and those revisions that are being referred to the Assembly for the decision.
- 2.) Notify the Officer/Chairperson when the decision is made.

III. TREASURERS' RESPONSIBILITIES

Throughout the process, the Treasurer serves in an advisory capacity to the officers/chairpersons, Finance Committee, Area Committee and the Assembly.

DELAWARE AREA GENERAL SERVICE ASSEMBLY

PROPOSED BUDGET – 200_

OFFICER / COMMITTEE:

PREPARED BY:

DATE: _____

Primary plans for carrying the AA message to the still suffering alcoholics for which Assembly financial support is being requested:

BUDGET:

A. Expenses: Literature _____
Travel _____
Conferences _____
Telephone _____
Postage _____
Supplies _____
Rent _____
Printing _____
Copying _____
Other (List) _____

Total Expenses _____

B. Income: Literature Sales _____
Registrations _____
Other (List) _____

Total Income _____

C. Net Expense: (A - B) _____

Return To:

Deadline:

DELAWARE GENERAL SERVICE ASSEMBLY

*** PAYMENT OF EXPENSES POLICY ***

I. EXPENSE AUTHORIZATION AND SUBMISSION

The Treasurer is responsible for the payment of all expenses properly incurred on behalf of the Assembly. In order for a payment to be made, the request must meet the following requirements;

- 1.) Must be in writing and signed by the Officer / Committee chairperson responsible for the budget to which the expense is to be charged.
- 2.) In signing it, the officer/chairperson is to indicate the budget to which it is to be charged. In doing so, the officer/chairperson is also confirming that there are sufficient funds in the budget to cover the expense, and that it is reasonable, necessary and appropriate for the activities included in that budget
- 3.) The request must be accompanied by invoices or receipts except for Auto Mileage & Other Expenses Under \$5.00.
- 4.) Requests for reimbursement must be submitted within 45 days for the months of January through November and 10 days for December.

II. EXPENSES FOR ATTENDING AREA COMMITTEE AND ASSEMBLY MEETINGS

With the exception of the Delegate, the Assembly does not reimburse members for attending such meetings. The Delegate is eligible for reimbursement for travel expenses to these meetings. The Assembly does not reimburse a personal expenses for attending the Convention.

III. REIMBURSEMENT RATE FOR USE OF PERSONAL AUTO

The Assembly uses the mileage rate that is currently approved for the use of nonprofits (Source IRS and Office of Management and Budget). The rate as of this date is \$0.375 per mile.

IV. ADVANCES / PREPAYMENTS

There will be a few occasions when it will be necessary to issue a payment in advance of receiving a bill/invoice/receipt. In those cases, the officer/chairperson requesting the payment will be responsible for submitting the bill/invoice/receipt, as outlined above, with a request for payment of the balance due or a refund for the amount that the advance exceeded the actual expenses. **Advances payable to individual chairpersons will be made only for budgeted expenses.** All others will be made payable to the actual provider of the goods/services.

V. EXCEPTIONS

May be approved only by;

- 1.) Area Chairperson and Finance Chairperson, or
- 2.) Area Committee, or
- 3.) Area Assembly.

VI. CHECK SIGNING AUTHORITY

Checks are to be signed by any one of the following:
Treasurer, Chairman, Chairman of the Finance Committee.

DELEWARE AREA GENERAL SERVICE ASSEMBLY

CONVENTION COMMITTEE

This committee is responsible for the largest single financial activity for which the Area is responsible. It is also essential that those funds be kept entirely separate from the "basket money" that supports the Area Assembly. And, the Convention also has a volume of activity during the months leading up to the Convention that requires far faster turn around time in paying expenses than can be reasonably be expected if those expenses had to be submitted to the Areas' Treasurer for payment. Therefore, the Assembly has delegated to the Convention Committee the authority to maintain its own bank account. In turn, the Treasurer for the Convention Committee is responsible for submitting monthly reports of receipts and disbursement to the Assembly's Treasurer. And, not later than the end of each Convention Committee's tenure (September 30th), their Treasurer is to submit to the Assembly's Treasurer:

- a. A Final financial report for that Convention.
- b. The reconciled bank statements for that year.
- c. A check for the balance in excess of \$3,500.