



FINANCE



Area 59

Banking On Sobriety

Financial Practices for AA Groups

Area 59 Finance Subcommittee
EPGSA 2019



About this Presentation

Area 59's 2019 *Banking on Sobriety* survey identified groups' financial practices and topics of concern or uncertainty.

This presentation is intended to:

- ▶ Address areas where groups want more information
- ▶ Share practices used successfully by some groups
- ▶ Direct groups to existing AA resources for further guidance



PLEASE REMEMBER

The information in this presentation is offered as shared experience, not as directives or advice. Our Fourth Tradition states that each AA group should be autonomous, except in matters affecting other groups or AA as a whole. How groups choose to handle their finances is ultimately up to the group conscience.



Group Treasurer, Budgeting & Record Keeping

Area 59 Finance Subcommittee

Group Treasurer Responsibilities

- ▶ **Should have a reasonable period of sobriety**
 - ❑ Familiar with our 12 Traditions and group policies
 - ❑ Capable of keeping records, writing checks
 - ❑ Know how to reconcile online contributions
- ▶ **Record 7th Tradition contributions and other collections**
- ▶ **Safeguards groups money**
 - ❑ Should be in a bank
- ▶ **Maintains prudent reserve**
- ▶ **Pay expenses the group incurs**
 - ❑ Rent, insurance, coffee supplies, literature, GSR, IGR expenses
 - ❑ Submits donations to District, Area, SEPIA (or other service entity), GSO
- ▶ **Gives monthly financial report**
- ▶ **Prepare annual budget with home group member input (group conscience)**

Budgeting

Why budget?

- ▶ To forecast income and expenses
 - ❑ 7th Tradition
 - ❑ E.P.G.S.A., other events officers may attend
- ▶ Allows you to track income and expenses
- ▶ Gives target to save for
- ▶ Allows group to know if funds are available for contributions

Income

- ▶ **7th Tradition**
 - ❑ Used for group expenses
 - ❑ Donations to service groups (example - GSO)
- ▶ **Other**
 - ❑ Collections for group anniversaries, picnics, etc.
 - Recommended you do not use 7th tradition money
 - Keep separate account
- ▶ **Record money on a weekly basis for every meeting**
 - ❑ Either paper or electronically
 - ❑ Keep for archives
- ▶ **Should have the starting balance from prior year**
- ▶ **Can use prior years to estimate income**

Expenses

► Fixed

- ❑ Expenses that are the same every week / month / year
 - Rent, insurance,

► Variable

- ❑ Expenses that vary period to period
 - Coffee supplies, literature purchases
 - Donations to AA entities
- ❑ Use past expenses to estimate costs

Treasurers Report

Example

- ▶ **Starting balance of 7th tradition account**
 - ❑ 7th Tradition money collected
 - ✓ Online & basket
 - ❑ Expenses - rent, supplies, literature
- ▶ **Ending balance**
- ▶ **Amount of prudent reserve**
- ▶ **Can be orally given, paper report**
- ▶ **Documentation**
 - ❑ Bank statements
 - ❑ Expenses receipts

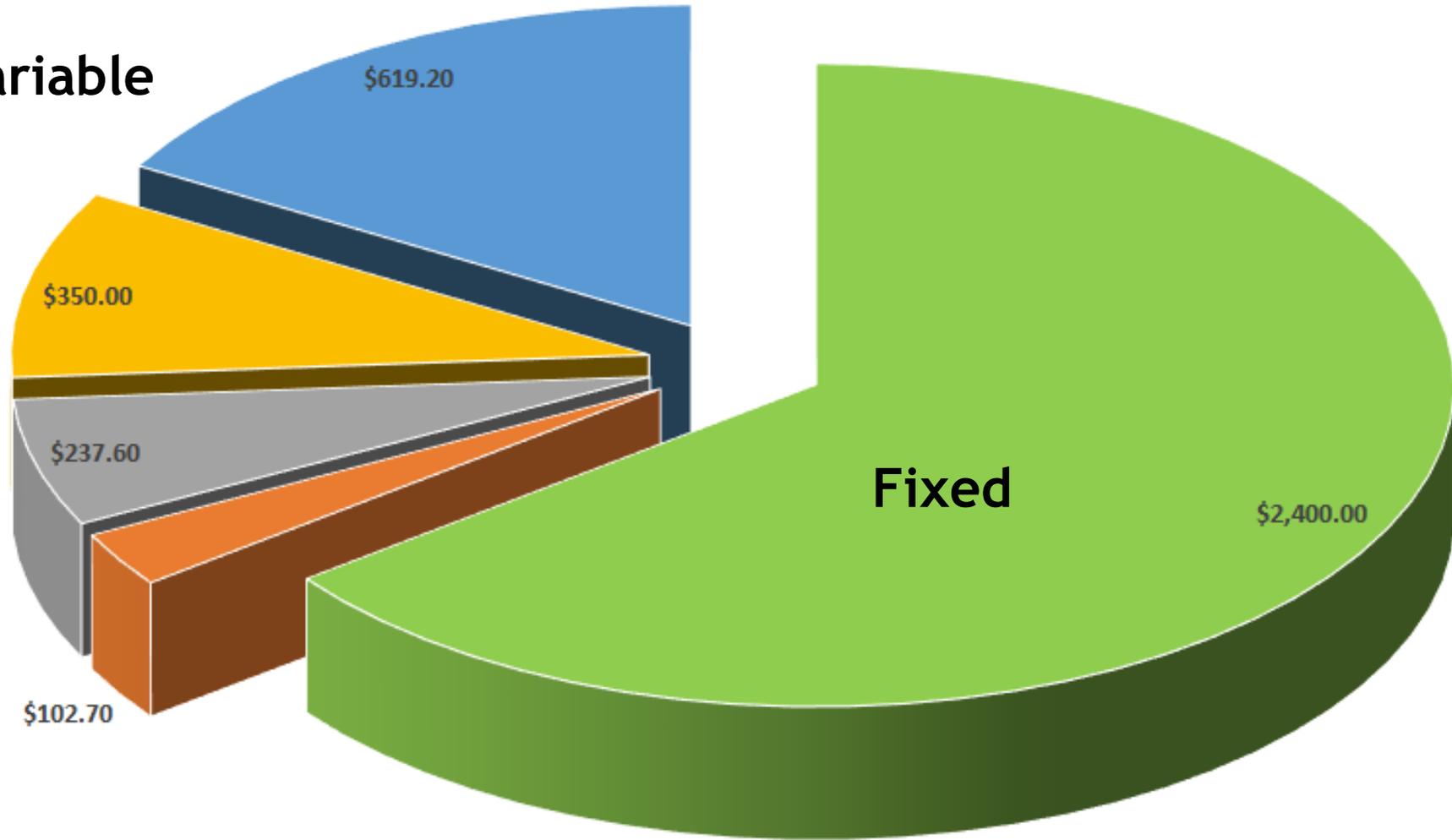
Annual Summary Group Income & Expenses

	7 th Tradition	Rent	Supplies	Literature	Donations	GSR/IGR	
January	\$248.00	\$200	\$20.00				Coffee pot
February	\$395.25	\$200					
March	\$342.00	\$200	\$10.00			\$241.20	Coffee, IGR
April	\$376.00	\$200		\$102.60			Big Books
May	\$347.10	\$200	\$15.90		\$40.00		Area 59, coffee suplies
June	\$320.00	\$200		\$32.40	\$225.00		Living sober, SEPIA, GSO, D-21
July	\$305.25	\$200	\$26.50				Coffee supplies
August	\$285.20	\$200					
September	\$230.75	\$200					
October	\$234.25	\$200	\$18.00				Coffee, cups
November	\$393.50	\$200		\$102.60		\$378.00	Big Books
December	\$258.00	\$200	\$12.30		\$85.00		GSO, SEPIA, Coffee Supplies
							Total expenses
Totals	\$3,735.30	\$2,400.00	\$102.70	\$237.60	\$350.00	\$619.20	\$3,709.50
						Balance	\$25.80



Sample Expenses 2019

Variable

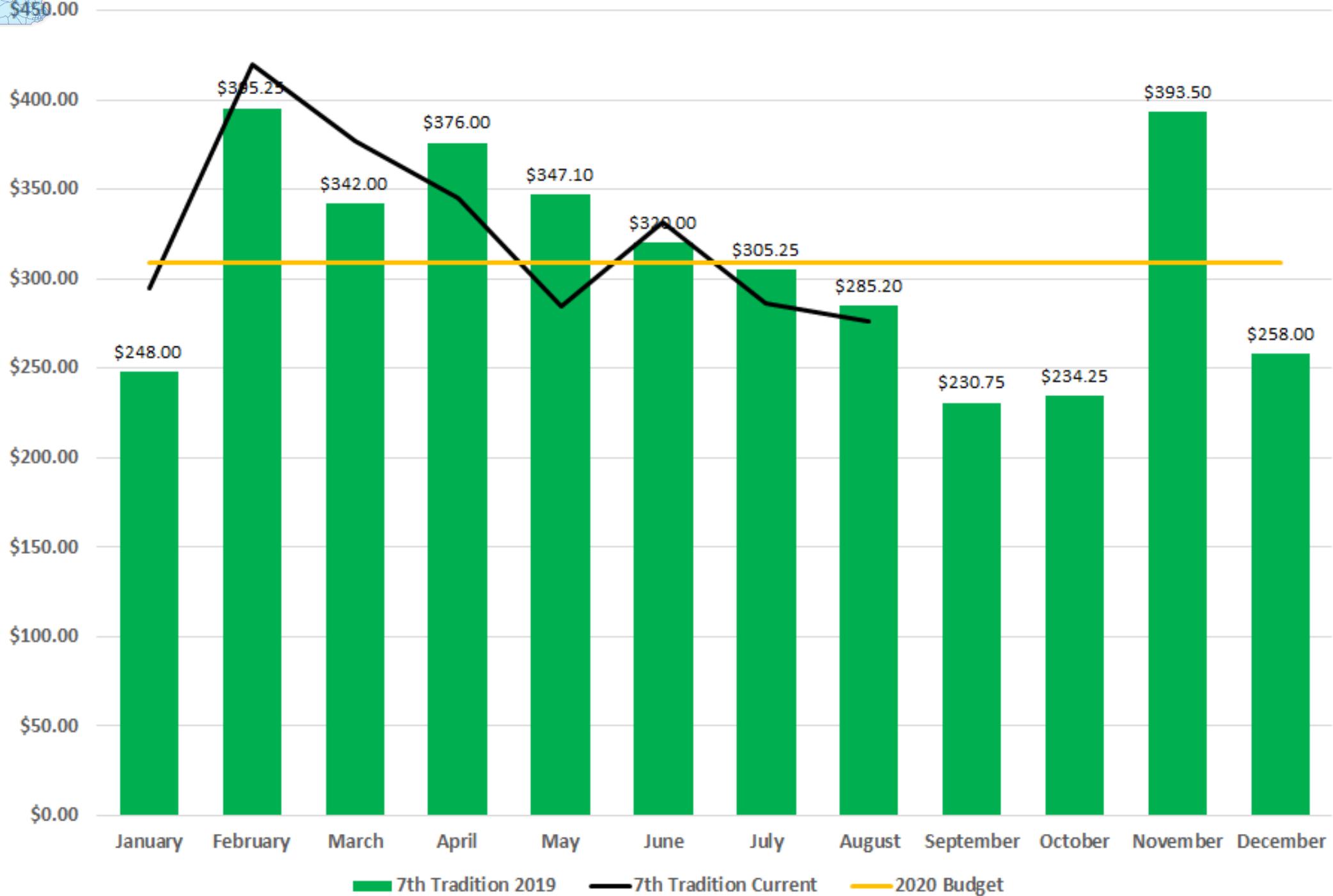


■ Rent ■ Supplies ■ Literature ■ Donations ■ GSR/IGR



Area 59

Sample 2020 Income Verses Previous Year



Contributing to Vital AA Services

- ▶ **Your local district**, which serves as a link between the area delegate group GSRs
- ▶ **Area 59 EPGSA**, which coordinates vital activities over a broad geographic area
- ▶ **Your local intergroup or central office**, if you have one, which provides many services
- ▶ **AA's General Service Office**, which functions as a storehouse of AA information and communicates with members and groups around the world

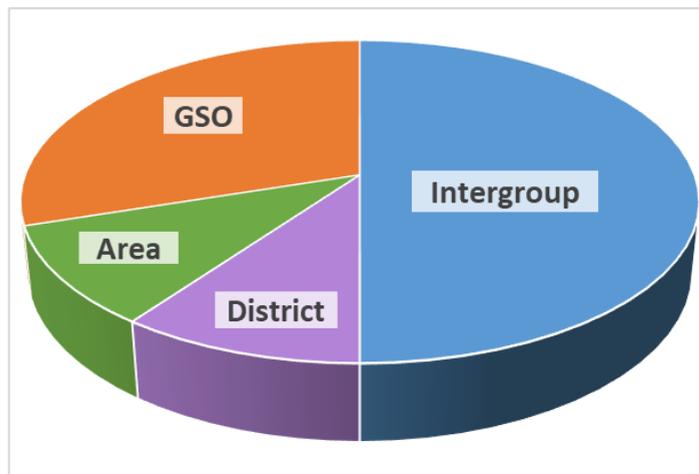


Splits & Contributions

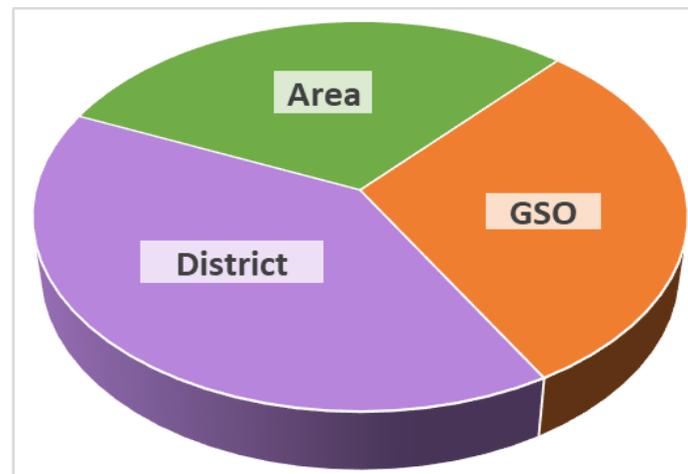


- ▶ Consider the needs of each entity. These may change through out the year.
- ▶ Each AA group determines for itself, through the group conscience, how much to contribute to other service entities.
- ▶ Groups typically contribute the amount of money in their group account that exceeds their prudent reserve.
- ▶ Consider setting up a regular contribution schedule, whether quarterly, semi-annually or annually.

Example with Intergroup



Example without Intergroup



How to Make Contributions



▶ Local District - Contact your GSR

▶ Intergroup (Sepia)

❖ aasepia.org/donate

❖ 1903 South Broad Street -- 2nd Floor
Philadelphia, PA 19148-2216 -Checks payable to SEPIA



▶ Area 59

❖ area59aa.org/contributions

❖ Area 59 Treasurer
<current address on website>
* Make checks payable to EPGSA.



▶ General Service Office

❖ contribution.aa.org

❖ General Service Office, Box 459
Grand Central Station
New York, NY 10163 - Checks payable to General Service Office



Summary

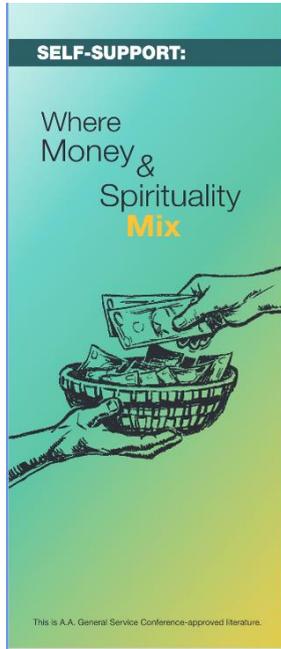
- ▶ **Safeguard your homegroup funds**
 - ❑ Bank account is the best option

- ▶ **Keep paper records**
 - ❑ Archive for future reference
 - ❑ Computers can crash, files get corrupted
 - ❑ Next Treasurer may not have computer or compatible software

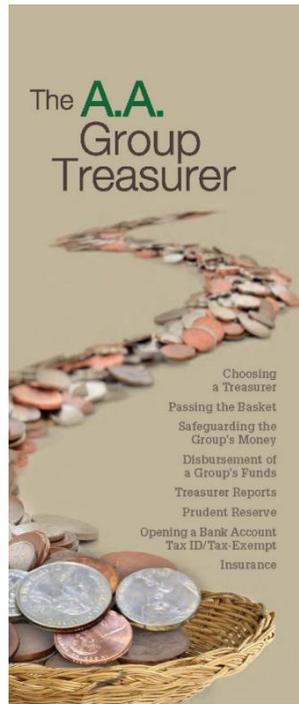
- ▶ **There are many software options**
 - ❑ Excel, Open Office, MS Money, Apple Numbers

- ▶ **If you have questions, use available resources**
 - ❑ The A.A. Group Treasurer pamphlet
 - ❑ Other group treasurers
 - ❑ Your Area 59 Finance Subcommittee

AA Literature



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Service Material from the General Service Office

FREQUENTLY ASKED QUESTIONS ON PRACTICING THE SEVENTH TRADITION AT VIRTUAL MEETINGS

In recent years a number of groups have utilized digital payment platforms to provide opportunities for members to make cashless contributions. There are different payment platforms to facilitate this service, and it is up to the group to determine which one to use. Experience suggests that the treasurer is a natural choice to handle digital contributions. Some groups, however, share the responsibilities among trusted servants or even create a new service position to inform group members about digital payment options and assist those who are interested in contributing this way.

1. Our group is meeting virtually as a result of Coronavirus (COVID-19). Our meeting costs are low, so why do we need to take a Seventh Tradition collection?
2. If our group decides we want to "pass the virtual basket" how would we get started?
3. What kind of options are available?
4. How would we decide between them?
5. Once the group decides, then what?
6. What about anonymity?

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A.A. Guidelines

Finance

from G.S.O., Box 459, Grand Central Station, New York, NY 10163

A.A. Guidelines are compiled from the shared experience of A.A. members in the various areas. They also reflect guidance given through the Twelve Traditions and the General Service Conference (U.S. and Canada). In keeping with our Tradition of Autonomy, except in matters affecting other groups or A.A. as a whole, most decisions are made by the group conscience of the members involved. The purpose of these Guidelines is to assist in reaching an informed group conscience.

"A.A.'s far-flung Twelfth Step activities, carrying the message to the next sufferer, are the very lifeblood of our A.A. adventure. Without this vital activity, we would soon become anemic; we would literally wither and die.

"Now where do A.A.'s services — worldwide, area, local — fit into our scheme of things? Why should we provide these functions with money? The answer is simple enough. Every single A.A. service is designed to make more and better Twelfth Step work possible, whether it be a group meeting place, a central or intergroup office to arrange hospitalization and sponsorship, or the world service Headquarters (now the General Service Office) to maintain unity and effectiveness all over the globe.

"Though not costly, these service agencies are absolutely essential to our continued expansion — to our survival as a Fellowship. Their costs are a collective obligation that rests squarely upon all of us. Our support of services actually amounts to recognition on our part that A.A. must everywhere function in full strength — and that, under our Tradition of self-support, we are all going to foot the bill."

Bill W., October 1967 Grapevine

One of G.S.O.'s responsibilities is to share A.A. experiences with groups and members who request it. In these Guidelines, we are glad to provide sharing from a variety of sources, though we are aware that actual A.A. practices often vary. So, if your group has found solutions other than those cited in this Guideline, please let us know, so that we may share your experiences with others.

Often-asked questions about finances directed at G.S.O. cover such topics as group rent, bank accounts and insurance; reimbursement for service workers' expenses; I.R.S. deductions and tax I.D. numbers, and the role of the General Service Board.

WHERE MONEY AND SPIRITUALITY MIX

Members celebrate sobriety by giving time, energy and money in support of our Twelfth Step—carrying the message—the basic service that the A.A. Fellowship offers. Members assure that group expenses are paid by putting money into the basket passed at each meeting. It is each member's responsibility to support the services that have been requested by the A.A. Fellowship, to help facilitate A.A.'s vital Twelfth Step. Contributions are made in a spirit of sacrifice, and they honor A.A.'s code of "love and service."

Contributions also underscore the spiritual nature of our Fellowship and our mutual love and trust. We have found that these contributions are as important to each member as they are to the service centers supported.

SUPPORTING A.A.'s STRUCTURE

Question: Why do A.A. groups support A.A.'s essential services?
Answer: Because the services benefit all A.A. groups. Our Seventh Tradition states that "Every A.A. group ought to be fully self-supporting, declining outside contributions."

A.A.s want our Fellowship to endure, and to be readily available for the still-suffering alcoholic to come. An A.A. group makes this possible by taking care of its basic group expenses: rent, refreshments,

A.A. literature, etc. After meeting these basic group expenses and providing a meeting place, many groups participate by supporting the central or intergroup office in their locale, the area and district general service committees, and the General Service Office (G.S.O.).

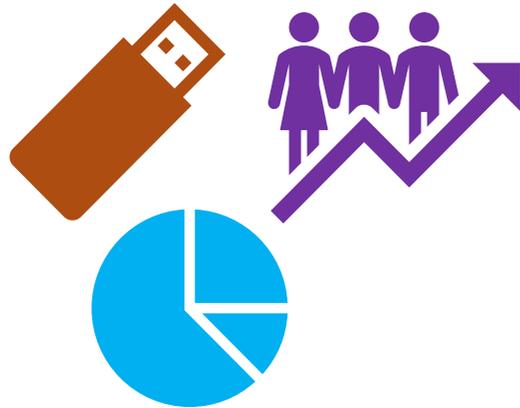
Question: How can groups participate?

Answer: To help support A.A.'s essential services, the General Service Conference suggests that individual groups, through an informed group conscience, adopt a specific contribution plan tailored to meet the group's financial situation. Once the basic group expenses have been taken care of (rent, refreshments, A.A. literature, local meetings lists), and a "prudent reserve" has been set aside to cover unexpected expenses, the group may decide to further carry the message by sending money to the following A.A. service entities:

- The local district, which communicates directly with the groups, providing the district group conscience for the area assemblies, and serving as a link between the area delegates and the G.S.O.s.
- The area committee, which coordinates vital A.A. activities over a broad geographic area; sends a delegate to the annual General Service Conference; holds area assemblies to deter-

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Finance Subcommittee Resources



Finance Best Practices



Digital 7th - Part 1

- ❖ Getting started
- ❖ Overview of types of options
- ❖ Platform comparison



Digital 7th - Part 2

- ❖ Detailed walkthroughs of:
- ❖ Group Email, Group Phone, \$Cash.App
- ❖ Banking on Digital Sobriety Survey Results



Banking and Documentation

Area 59 Finance Subcommittee

Bank Accounts

What does AA literature say?

It's up to each group, but "many groups keep the group's treasury in a bank checking account in the group's name." *

What do Area 59 groups do? **

- ▶ Bank account 59%
- ▶ With the treasurer 32%
- ▶ Other 9%

* The AA Group Treasurer pamphlet

** Banking on Sobriety survey

Why Have a Bank Account

- ▶ Not associated with an individual
- ▶ Protection from loss or theft
- ▶ Recordkeeping backup
- ▶ Check-writing capabilities
- ▶ For online 7th Traditions deposits
 - ❖ Contributions to GSO/Area/Intergroups/District
 - ❖ Can make reoccurring contributions
- ▶ Easy access to money if something happens to one person
- ▶ Accurate account activity
- ▶ Note that group treasurer and officers may need to provide personal information

Setting Up a Bank Account

Type of account:

- ▶ Business/nonprofit checking account
- ▶ Ask for a no fee account
 - ❖ Many banks will waive account fees for community groups
- ▶ Have two signatures on account
 - ❖ Can have two signatures required for checks

Set-up procedures may vary from bank to bank, but most require:

- ▶ Employer Identification Number (EIN)
- ▶ Social security number
- ▶ Meeting minutes or bylaws (AA 12 Traditions)

Why Do We Need an EIN?

- ▶ Banks are now required to obtain an Employer Identification Number from all nonprofit account holders.
- ▶ An EIN is the IRS's unique identifier for entities, whether they have employees or not.
- ▶ If you already have a bank account but no EIN; this may be because your group has not changed banks recently.

Applying for an EIN

- ▶ Go to [irs.gov](https://www.irs.gov) - “Apply for an Employer ID Number.” (form SS-4)
 - ❖ <https://www.irs.gov/pub/irs-pdf/fss4.pdf>
- ▶ Fill in Legal entity name (AA group name)
- ▶ Your information - does require SS number
- ▶ Online or print/mail
- ▶ Type of entity: “Other nonprofit”
 - ❖ Specify: “community or volunteer group”
- ▶ Reason for applying: “Banking purpose”

Tax Exemption & Reporting to the IRS

What does AA literature say?

“Try to have a discussion at a business meeting that explains that as good members of society the group should be mature enough to comply with appropriate laws.” *

What do Area 59 groups do? **

- ▶ Filed IRS return 0%
- ▶ Didn't file/don't know 100%

* A.A. Guidelines - Finance

** Banking on Sobriety survey

Tax Exemption

- ▶ Groups with annual contributions of \$5,000 or less are not required to file for tax exemption (Form 1023).
- ▶ Groups with contributions of more than \$5,000 that want to be tax exempt must file Form 1023.
 - ❖ 7 Area 59 groups have done this
- ▶ <https://www.irs.gov/pub/irs-pdf/f1023.pdf>
 - ❖ 88% of Area 59 groups collect \$5,000 or less

Filing an IRS Return

- ▶ According to IRS regulations, all groups with an EIN should file a federal return by April 15th, regardless of their tax-exempt status.
- ▶ AA groups that have not filed for federal tax exemption are still required to file Form 990-N, known as the e-Postcard.
- ▶ Groups that **HAVE** filed for federal tax exemption can still file an e-Postcard if their annual gross receipts are normally \$50,000 or less.

Form 990-N /e-Postcard

- ▶ Created for small exempt organizations:
 - ❖ Must be filed online – no paper option.
 - ❖ Form is designed to be relatively simple.
- ▶ IRS Form 990-N User Guide:
<https://www.irs.gov/pub/irs-pdf/p5248.pdf>
- ▶ Groups that have not formally filed for tax exemption may call IRS Customer Account Services as listed in the User Guide referenced above.



Thank You For Your Service

Area 59 Finance Subcommittee