

PROPOSED AMENDMENT TO THE AREA ASSEMBLY STRUCTURE AND GUIDELINES

Name of Motion: Prudent Reserve

- 5-16-13
1. Submitted to the Area Chairperson and Policy/Agenda Committee's. (This is a good time to send the motion to translation.)
 2. Reviewed by the Area Committee
 3. Presented to the Area Assembly
 4. Area Assembly votes— majority vote required to distribute for group consideration
 5. GSRs review with Groups—Informed Group Consciences taken
 6. Final vote by Area Assembly—two thirds majority vote required for adoption

NOTES:	a. All proposed new text is presented with <u>underline</u> .
	b. All proposed deletions are presented with strikethrough .
	c. Explanations of changes are presented in [brackets].
	d. Identify the location of the current text in the A.A.S.&G.
	e. Identify the intended location of the amended text in the in the A.A.S.&G., if adopted.

Financial Impact to the Area Assembly			
Direct Costs (-)Savings (+) (Actual \$ spent by the Area Assembly to produce or secure change.)		Indirect Costs (-) or Savings (+)possible related costs to sub-committees, support costs or maintenance.)	
\$	Description	\$	Description
Zero			

Concepts and Traditions that apply	
Concept or Tradition	How it applies
T. 1	A prudent reserve protects the Area from economic instability.
T. 5	A lack of funds could results in not being able to carry the message.
T. 7	Twelve Steps and Twelve Traditions, Tradition Seven, Page 165 - "Bare running expenses plus a prudent reserve would henceforth be the Foundation's financial policy."
T. 9	Twelve Steps and Twelve Traditions, Nine, Page 191 - "They are the custodians of our A.A. Tradition and the receivers of voluntary contributions by which we maintain our A.A. General Service Office at New York.
Tradition. 8	A reserve will help to insulate us from asking professionals to accept less than they would otherwise charge a non-profit.
Concept 3	Right of (or responsibility of) decision.
Concept 6	In Area 08 the Area Officers would hold the authority similar to the Trustees and General Service Board.
Concept 10	"service authority to match responsibility"
Concept 11	Ability to pay financial compensation of special workers.

Concept 12	That sufficient operating funds plus an ample reserve, be its prudent financial principle.
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Motion: This motion is being brought forth to add text on: Page 6. Section VI - as item J. to read as follows:

Proposed Text: J. San Diego/Imperial Area 08 establish a reserve of \$2500.00. The reserve is to be used to cover known or unforeseen expenses if Cash on Hand is short at the time. Any disbursement of reserve funds will require a 2/3's vote of the Area Committee.

Background:

In our area Cash on Hand is simply the cash balance in our checking account on any date. It may be money contributed by the groups during the current budget year that has yet to be spent on line items. Also, the Cash on Hand money may be part of what is left over from a previous year. The leftover condition is highly possible because we rarely spend all the money budgeted in any year. Just as rare, is the receipt of contributions anywhere near the total amount of an annual budget.

A reserve is money set aside to pay expenses if and when contributions fall short in order to prevent an interruption in Area services. For example, the General Service Board Reserve is a fund that is equal to one year's budget. They do this in order to ensure there is no interruption to world-wide 12-Step services. This fund may be used in case of catastrophic interruption in contributions and when expenses temporarily exceed income. It may also be drawn on and used for capital improvements at the General Service Office and Grapevine/La Viña. The groups receive letters advising them of the need whenever the prudent reserve starts to get too small.

The time-tested recommendation of a reserve is in many pieces of General Service Conference-approved literature. There are many pieces of literature telling our groups a responsible policy is to have sufficient operating funds as well as a prudent reserve. The practice of creating and maintaining a reserve is reflected in the background of one of Area 08's financial principles, "Corporate Poverty." The background to this motion seeks to outline how the principle of Corporate Poverty is in no way compromised by the establishment of a reserve.

Corporate Poverty is explained in "Alcoholics Anonymous Comes of Age," pages 110-114. A sentence on page 110 explains why Tradition 5 is listed above as applicable to this motion. The thoughts used by St. Francis in establishing Corporate Poverty for his society are present in the experience acquired in building A.A. Traditions: "The less money and property they had to quarrel about, the less would be the diversion from their primary purpose." Also stated on that same page is another important fundamental concept A.A. has in common to the work of Saint Francis: "His also began as a lay movement, one man carrying the good news to the next."

Page 111 states A.A.'s practice of working with the least possible service organization and using the least possible money is in common with that practiced by the Society of Saint Francis. Here is the important caveat: "For us this does not mean no money at all. But it does mean the least possible money to do the job well. It is in this sense that A.A. has declared for the principle of corporate poverty. It is a chief safeguard of our future."

The passage outlines three possible thought temptations that can lead to non-productive, undesirable practices:

- The first, was the prospect of unlimited financial backing of a charitable source outside of the Fellowship (John D. Rockefeller, Jr.)
- The second was to move to a position of the opposite extreme of outright charity, the fear of money that resulted in the "half-refusal to support A.A.'s simple but essential area-and-over-all services, without which we would fail to function and grow." (Page 111).
- The third was to take a large endowment offered at a time when the groups were not sending in enough money required to support the office.

On pages 112-113 of Alcoholics Anonymous Comes of Age, Bill uses one of his own ego-deflating personal inventory experiences to illustrate how he understood the importance of connecting each individual A.A. member to his/her group and A.A. as a whole through the support of each level of the service structure (Tradition 9). This same experience is part of the text of Tradition 7 in Twelve Steps and Twelve Traditions on page 163-164. Back at the top of page 113, it states, "There was a place in A.A. where spirituality and money would mix, and that was in the hat." This is where Traditions 7 (self-support) and 9 (the service structure) come into this motion.

So, St. Francis' corporate poverty practices support the development of where spirituality and money mix: The contributions of individual group members are used to maintain funds that support the least possible service level in order to do a good job of carrying the message. Page 114 summarizes how the Trustees set the financial policy for the Foundation, now Alcoholics Anonymous World Services (AAWS). It states that principle as, "Reasonable running expenses plus a prudent reserve would henceforth be the Foundation's financial policy." The wording on page 165 of Tradition 7 in Twelve Steps and Twelve Traditions states, "Bare running expenses plus a prudent reserve would henceforth be the Foundation's financial policy."

The idea behind sending off any excess funds is to help ensure our 7th Tradition is continuously at work carrying the message. Part of being financially responsible is understanding the full scope of work supported by the Area (Tradition 9) and what specifically needs to be maintained in order to prevent any interruption in its best endeavor of carrying the message. Carrying the message is one of Area 08's stated Purposes.

Area 08 has often adopted practices that seek to align with those of the General Service Conference. The adoption and development of its standing committees is one of those ways. The recommendation for a prudent reserve is found throughout our literature in application to the group as well as the other levels of the service structure. Our Area's services in carrying the message are continuously supplied throughout the year. This is done one budget year at a time. A question we can look at in regards to a need for the use of a reserve is:

"Are there occasions when unforeseen circumstances may require requests for funding that limit, postpone, stop, or eliminate 12-Step work?"

A couple of items, but not limited only to these, that we can think about our ability to respond based on the combination of these two conditions:

1. The Area Committee may approve an unbudgeted expense of no more than \$450.00; and
2. A four-month time gap in assemblies of May to September.

The Area Committee's unbudgeted expense limit of \$450.00 needs to be considered relative to the fact that there are large spaces of time between our assemblies. You may want to consider what needs are possible to arise during the following periods of time between assemblies:

- January until April - up to 3 months
- May through September - up to 4 months
- November until January - up to 2 months

Could there be an opportunity for 12-Step work that would need to be ignored? For example, we know our CPC Committee has had occasion to receive very short notice on invites for participation. Could an unforeseen need require them to pass on an invitation to participate in an event at which they work to fulfill a key purpose of the Area -- to carry the message?

How would we handle the unanticipated loss of a computer? We cannot schedule or predict the need to replace and/or repair computers. If the Secretary's computer was lost in June or July, would we need to wait until September to obtain approval for its replacement? How would the loss of one or more computers be handled in such a time gap?

What if contributions fell off significantly at any time during the year? This usually does happen at some time each year because the timing for the need for money cannot be controlled to neatly fit the expenditures represented in an annual budget. Would trusted servants need to stop making copies or personally absorb their mileage expenses? How is the responsibility to monitor reporting and notify trusted servants of their need to stop spending handled?

It is important, as a participant of the service structure in accord with the 9th Tradition that Area 08 walks the walk of using 7th Tradition contributions for support. This practice works to maintain a clear distinction between the spirit of vested authority and the spirit of service. "Just as the aim of each A.A. member is personal sobriety, the aim of our services is to bring sobriety within reach of all who want it." (Twelve Concepts and Twelve Traditions, page 174-175). Because 7th Tradition money has gone through the hat it belongs to all A.A. members. Using 7th Tradition money to support our 9th Tradition maintains that all A.A. members are equal and welcome participants. Guarding against monetary support provided directly by trusted servants, ensures the groups are informed of and provide financial support to 12-Step efforts at all levels of the service structure. Ensuring that all funds go through the hat may aid individual trusted servants to develop into elder statesmen and avoid becoming the bleeding deacon as described in Tradition 2.