

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.

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

“Now where do AA’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 AA 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 a recognition on our part that AA 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 some 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 below, please let us know, so that we may share your experiences with others.

Some often-asked questions received at G.S.O. regarding finances cover such topics as group rent, bank accounts and insurance; reimbursement for service workers’ expenses; I.R.S. deductions and I.D. numbers; roles of the General Service Board and Conference Finance Committees.

SOME QUESTIONS AND ANSWERS

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 “Every A.A. group ought to be fully self-supporting, declining outside contributions.”

Therefore, Alcoholics Anonymous accepts no outside contributions. In accordance with the Sixth Tradition, A.A. makes no contributions to any outside organization or cause, no matter how worthy.

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. After meeting these basic group expenses and providing a meeting place, many groups participate by supporting the central (intergroup) office where one exists, the area and district general service committees, and the General Service Office (G.S.O.).

Question: Doesn’t all A.A. money go into one pot? In other words, when our group contributes to central office (intergroup), isn’t our money distributed to the area, district and G.S.O., as well?

Answer: No. Each A.A. entity—group, district, area, central office and G.S.O.—provides a specific service and is autonomous. Each is separate from the other.

Question: How do groups divide their excess funds, then?

Answer: Outlines for contribution plans are described in the pamphlet “Self-Support: Where Money & Spirituality Mix.”

Question: Our group would be glad to contribute to these various service entities, but we do not know where to send our check. Where do I find mailing addresses?

Answer: If there is a central office/intergroup in your community, it will be listed in the telephone directory. (If your group does not already have an intergroup representative, think about electing one.)

Your group's general service representative (G.S.R.) probably has addresses for the area and district committees. If not, call G.S.O. for information: (212) 870-3400.

Other sources: The names and addresses of your general service delegate and area chairperson are listed in your regional A.A. Directory.

Contributions to the General Service Office can be sent to:

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

Please make checks payable to: *General Fund*. Preaddressed group contribution envelopes are available from G.S.O. (See catalog/order form.)

Question: After covering our group's expenses, we have very little money left. Isn't it embarrassing to send what seems to be just nickels and dimes?

Answer: The General Service Conference has emphasized that it is not concerned about the *amount* each group contributes, but that each group contribute something. At a recent service assembly, one G.S.R. said "It is a spiritual obligation to participate by contributing."

Question: If the facility in which an A.A. group meets cannot accept rent (such as a federal or state building), what can be done in accordance with our tradition of self-support?

Answer: A group can usually contribute in some other way. For example, the group might furnish equipment or furnishings to the facility.

Question: How do we know that G.S.O. has received our contribution and credited our group?

Answer: All group contributions are acknowledged by a computerized receipt, sent to the person indicated on your contribution envelope, or to the G.S.R. if a name and address is not indicated.

Quarterly contribution statements are sent to each group's G.S.R. These statements reflect year-to-date information, whether or not the group contributed.

REIMBURSING SERVICE WORKERS

Question: Is it our group's responsibility to reimburse service workers for their expenses?

Answer: Each group, district, area or service committee is autonomous, of course, and each has different needs and resources. While it is certainly up to the group conscience, many A.A. members seem to agree that no one should be excluded from service because of finances. Some service workers' expenses come out of their own pockets, while others are reimbursed.

We are aware that in those areas holding two- and three-day assemblies, expenses of participants (G.S.R.s, D.C.M.s, etc.) are sometimes met by asking groups to contribute toward the expenses of their trusted servants. Expenses for area officers are usually cov-

ered by the area treasury. *The A.A. Service Manual* includes some information regarding reimbursing expenses.

BANK ACCOUNTS

Question: Our group needs to open a bank account and we were asked for an "I.D. number." Can we use G.S.O.'s?

Answer: More and more frequently, A.A. groups in the U.S. are being asked to supply an I.D. number to a bank when opening a checking or savings account, whether or not it is interest bearing. According to G.S.O.'s outside auditors, no local A.A. organization can use the tax-exempt status or identification number of the General Service Board of Alcoholics Anonymous, Inc. Local entities should obtain their own tax-exempt status and I.D. numbers.

Question: How do we obtain a tax number for our group checking account?*

Answer: The first step usually is to obtain a "Federal ID Number." This is like your personal Social Security number, it's your group's link with the world—not A.A. Each group must obtain its own number by filing form SS-4, "Application for Employer Identification Number." To obtain the form, call your local Social Security or IRS office listed in the phone book. For those Internet types you can access the IRS Web site and download the form.

One question on the form asks if there is one group exemption number that applies to all. However, because of the autonomous nature of A.A., each group must get its own individual number. G.S.O. does not direct the groups; the controller does not audit group activities. A.A. works in reverse; the Fellowship asks the office to do things via the General Service Conference.

Now you are in the system—but you are still not "Tax Exempt." To be Tax Exempt, there are a few more steps. Again, call or go online to the IRS and ask for various publications. Publication 557, "Tax-Exempt Status for Your Organizations," (perhaps 44 pages) discusses the rules and procedure for organizations that seek to obtain recognition of exemption from federal income tax. For example, your G.S.O. is exempt under section 501 (C) (3) of the code.

After you have decided if it is necessary to become "Tax Exempt," then go back to the IRS or the Web site and get Package 1023, "Application for Recognition of Exemption," under section 501 (C) (3) of the Internal Revenue Code. You will also need Form 8718 "User Fee for Exempt Organization Letter Request." If there are any accountants, lawyers, or others in your group who have had experience with these forms, etc. perhaps you can use their experience and guidance.

Each year you will receive forms in the mail for someone to review to determine if your group took in enough money to require filing.

**This information applies to the U.S. only.*

TAXES

Question: Are my contributions to A.A. tax-deductible?

Answer: Contributions to an A.A. group, central office, or intergroup

are tax-deductible only if the entity is a qualified charitable organization as determined by the Internal Revenue Service.

Contributions made directly to the General Service Board of A.A. are deductible under Section 501 (c) (3) of the Internal Revenue Code.

The Internal Revenue Code has no provision under which the General Service Board of A.A. could apply for tax-exempt status *for all groups and other A.A. entities*, since each entity is autonomous in financial matters, as in all other ways. Donations to A.A. groups are not deductible unless the group has filed the proper application of Form 1023 with their local I.R.S. office and has obtained a ruling that the organization is tax-exempt. Experience has shown that some tax examiners may make exceptions if proof of contribution is presented, but this is strictly up to the individual tax examiner.

INSURANCE

Question: Our landlord has asked us to provide our own liability insurance. Can G.S.O. help?

Answer: The liability insurance of G.S.O. cannot be extended to cover local groups. A.A. groups are autonomous, and are not subsidiaries of G.S.O. Some groups cooperate with the facility where they meet by purchasing a “rider” in the facility’s liability insurance policy. The group might consult a local insurance agent or attorney about liability matters.

WHO MANAGES G.S.O.’S SHARE OF OUR CONTRIBUTIONS?

The General Service Board of Alcoholics Anonymous, Inc. is the custodian of all contributed funds. The board’s Finance and Budgetary Committee meets quarterly to review and approve G.S.O.’s budget and financial statements.

The A.A. World Services Board meets monthly, and maintains direct control of income and expenditures. This service board is composed of: the G.S.O. general manager, who is president; two regional trustees; two general service trustees; and three non-trustee directors. (The chairmanship of this board rotates each year between a regional and a general service trustee.)

The budgeting process of G.S.O. is under the direction of the controller, who oversees the annual budget for G.S.O., which is reviewed by the general manager before presentation to the Salary and Budget Committee of the A.A.W.S. Board.

The Salary and Budget Committee reviews the budgeting process and makes its recommendation to the entire A.A. World Services Board. The committee also reviews the salary structure and benefit policy of G.S.O. to ensure its adequacy and competitiveness in the marketplace.

Following approval, the A.A. World Services Board makes its recommendations to the trustees’ Finance and Budgetary Committee. Finally, the annual General Service Conference reviews A.A.’s finances through its own Finance Committee.

All of A.A.’s financial affairs are an open book. A summary is published in each *Quarterly Report* and a full accounting is in the annual *Final Conference Report*. And the account books themselves are available at the General Service Office for scrutiny at any time.

What is the General Fund?

The General Fund is a sum of money consisting of A.A. groups’ and members’ contributions. This fund, administered by the General Service Board, is used by G.S.O. to cover expenses attributable to group services.

What is the Reserve Fund?

The Reserve Fund is A.A.’s “prudent reserve,” an amount of money primarily set aside to ensure that in time of emergency or disaster G.S.O. would be able to carry on for a reasonable length of time.

If the Reserve Fund exceeds the 12-month upper limit, a one-year period is allowed to review the Reserve Fund level, followed by a second year to formulate actions to adjust Reserve Fund below 12-months operating expenses.

In practice, however, the office, as well as the trustees’ Finance Committee, continuously monitors the Reserve Fund balance, as well as the number of months of operating expenses, in an attempt to allow for orderly management of the Fellowship’s financial affairs, keeping in mind our primarily goal of carrying the message to the alcoholics who still suffer.

The use of the Reserve Fund may be authorized by the board of trustees on recommendation of the trustees’ Finance and Budgetary Committee. It has been used in the past for moving, related construction and refurbishing of the General Service Office.

For more information on finance

Final Conference Report (Financial Statements section)

The A.A. Service Manual/Twelve Concepts for World Service

Pamphlets:

“Self-Support: Where Money and Spirituality Mix”

“The A.A. Group”

“Twelve Traditions Illustrated”

“A.A. Tradition—How It Developed”

www.aa.org

