

CNIA/AREA 7 FINANCE COMMITTEE INFORMATION ON PRUDENT RESERVE (PR)

August 20, 2022

Business PR

Regular business practice is a PR of expenses for 1 year.

AA and the PR

The AA Service Manual does not detail this. The AA Guideline on Finance: the Reserve Fund is 1 year's expenses to cover GSO and Grapevine. Searches on the Internet of AA practices suggest 2-3 mos for expenses at the group level, for items such as rent, supplies, refreshments, and conference endorsed literature. The PR is intended to cover expenses in the event that the group has unusually low attendance or donations, or to allow the organisation to capitalize on unforeseen opportunities.

For CNIA, the PR is set by an assembly motion. The CNIA Material Handbook log on p64 includes:

- a. Mar 31, 1979 – A PR of \$2,000 was set.
- b. Aug 15, 1981 - PR of \$4,500 proposed (accepted at January 23, 1982, Assembly).
- c. May 2013 Assembly – The Assembly approved to define PR as the annual cost to 1) send Delegate to the General Service Conference (Contribution to GSO and Delegate miscellaneous expense), 2) ACM room rent, 3) Archives facility rent, and 4) Liability Insurance. The PR will be re-evaluated annually by the Finance Committee.
- d. General themes.
 1. Improve our process.
 2. Going through change pre- and post-pandemic.
 3. Costs and times change.
 4. On-line offers flexibility (e.g., go virtual only for ACMs if future costs high).
 5. What 'worst case' scenario are we planning for? Historically, the Area dipped into PR frequently. Even with pandemic, no disaster occurred.
 6. Input from Area Inventory 2020.
 - a. Primary issue: **Seventh Tradition to fulfill our primary purpose**
People see money in our reserve fund and want to spend it.
Holding on to funds isn't a good idea.
Would like to see us reach out to groups next year.
I would like to research how to do hybrid meetings and then do it. We could purchase equipment for hybrid meetings that we can use in the future.
Would like more transparency on the spending plan at the beginning of the year.
Would like to see planning for PR rather than planning to overspend. There are different ways to create a spending plan.
Would like to see more information about officer expenses.
Have a quarterly workshop for district treasurers.
When the spending plan was proposed, we didn't talk about our bank balance increasing so much above the PR.

b. Secondary issues with cost impacts:

Area's purpose.

There should be a publicly visible statement on the website

More GSR schools, GSR orientation

Area's vision.

Unity could be improved by continuing to spread the message of AA on with on-line, hybrid meetings, reaching out to people who cannot or will not go to online meetings

Does the area have an emergency plan?

People were all on their own and trying to figure it out.

The area could provide Wi-fi hotspots for area officers so they can participate.

e. Items in PR.

Currently included: \$8,065.00

Delegate to GSC
ACM Rent
Archives Rent
Liability Insurance

Not included but could be: \$6,462.50

Accounting Fees
Taxes and Fees
Video Conference Platform
Webhosting
Postage
Phone, Copies, Supplies
Archives Supplies
Accents
Literature/Grapevine
Carry the Message Project
Mileage \$0.625

Initial Impression of the Finance Committee

The Finance Committee suggests 3 mos – the CNIA is more parallel to AA in general than a group, probably. Assuming the spending plan goes back up to \$65,000, we would need at least 3 mos PR of \$16,250. This change could be done over a two- to three-year period.