

Motion to Amend the California Northern Interior Area (CNIA) Service Material Book
Flexibility in Approved Spending
Presented to Assembly May 21, 2022

Motion to Amend the California Northern Interior Area (CNIA) Service Material Book – Presented to
ACM March 19, 2022

Previously Presented to the CNIA Assembly November 2021 and Winter 2022

Motion:

It is hereby moved to make the following amendment to the Finance Committee Section of the California Northern Interior Area (CNIA) Service Material Book to address potential shortfalls in funds available to the Area toward the end of the year.

Background:

Finance Committee

F. Additional Duties (pages 11-12)

4. The finance Committee has the discretionary authority to recommend increases to the ACM in budget line items and un-budgeted expenses they deem appropriate. These discretionary increases and expenditures must be approved by a two-thirds (2/3) majority vote of the ACM and the total of all increases and expenditures **cannot exceed** ~~five percent (5%) of the approved budget expenditures for the year~~ **the greater of the two following options:**

- 1) Five percent (5%) of the total expenditures of the approved spending plan for the year, **OR**
- 2) Twenty percent (20%) of the funds in excess of the prudent reserve at the time of the approved spending plan for the year.**

This discretionary authority should be used when unbudgeted expenses that must be incurred for the proper conduct of area business arise and when there will be no Area Assembly before the funds have to be expended.

Respectfully Submitted,

Don H.

Chair, Finance Committee, DCM District 25

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Background:

In 2020-21, our Area finances carried a balance nearly five times our prudent reserve. In an attempt to comply with our 7th Tradition responsibility, we discussed ways to get the accumulated funds to those in need by providing A.A. services, but we were constrained with the current guidelines that limit our spending to “Five percent (5%) of the total expenditures of the approved spending plan for the year.”

Possible resolution would be to amend the guidelines while keeping safeguards in place to assure responsible discretionary expenditures based on either *5% of Total Approved Expenditures for the Year* OR *20% of Funds in Excess of our Prudent Reserve at the beginning of the year.*

The change proposed provides flexibility.

Examples:

Based on \$80,000 Total Approved Expenditures

Example 1: Excess of \$50,000 beyond prudent reserves (PR)

- Current: \$80,000 X 5% would limit spending per discretion up to \$4,000.
- Proposed: \$50,000 excess PR X 20% would limit spending per discretion up to \$10,000.

Therefore, the better option is proposed method.

Example 2: Excess of \$10,000 beyond prudent reserves (PR)

- Current: \$80,000 X 5% would limit spending to \$4,000.
- Proposed: \$10,000 excess PR X 20% would limit spending per discretion up to \$2,000.

Therefore, the better option is current method.