

# Finance Committee Guidelines

This document constitutes the Area 10 Finance Committee Guidelines and broadly describes the committee's duties and composition.

## **Area 10 Finance Committee Mission Statement**

The Finance Committee provides supervision, continuity and guidance in Area 10 financial matters. The committee also assists the Treasurer as needed. The Finance Committee does not have authority to establish, dictate, approve or deny budgeted amounts for Area committees, officers or activities other than its own operations. However, the committee may be assigned additional duties and responsibilities by the Area Assembly, the Area Committee or the Area Chair.

## **Purpose**

The Finance Committee's duties relate principally to guidance on budgeting process, practice and policy – it is principally advisory, in that it does not directly change, approve or dictate specific budgets, policies or practices. It reviews financial activities and provides analysis and makes recommendations where additional Area 10 benefits may be achieved in all matters with financial or budgetary considerations. The Committee is responsible for the establishment and maintenance of a listing of Area 10 financial practices which describe the currently effective Area 10 financial and budgetary policies and practices. This includes documenting the financial practices utilized by various other Area 10 committees which have a financial bearing on the Area as a whole and which are included in the Area's tax return, including Convention and Assembly activities and Pink Can collections and disbursements. This committee may be directed by the Area Committee to conduct specific reviews, analyses or research into other matters that the Area Committee deems appropriate.

## **Introduction**

The Treasurer works closely with the Finance Committee in carrying out the duties of the Treasurer. The Finance Committee provides oversight, continuity and guidance in Area 10 financial matters. The oversight duties may entail periodic reviews of the various financial activities and bank accounts of the Area. The continuity duties include: having a staggered membership appointment in order that some committee members' appointments extend over the rotation periods; maintenance of a written listing of the current financial practices of the Area; and assistance to the Treasurer, as requested. The guidance duties include: making recommendations to the area officers and the Assembly for changes to financial practices; providing assistance to Area 10 officers and committee chairs with budgeting and expense reporting; and responding to requests from the Area Committee to review matters that have a financial bearing or consequence to the Area.

## **Committee Composition and Structure**

The committee chairperson shall be appointed by the Area Chairperson in election years and serve for a two year term. Other committee members will also serve two year terms, with half starting in election years and half in non-election years. This will ensure a degree of continuity with the Finance Committee during periodic Area 10 rotations.

The committee initially should include approximately eight members, plus the committee chairperson. This initial size is predicated on the estimated amount of effort that may be required to address all the recommendations and suggestions contained in the 2010 report of the former *ad hoc committee on finance*. On an ongoing basis, the size of the committee may be decreased to not less than four members plus a chairperson, based on an anticipated lesser future workload. The committee should be comprised of an odd number of total members to preclude committee votes ending in ties.

The committee should select a secretary, also a voting member, who will be responsible for recording and distributing minutes. This person should not be a sitting treasurer or deputy treasurer.

Should any member not be able to fulfill his/her obligation to the Finance Committee, the Area Chair and committee chairperson can mutually select additional members to fulfill a term, generally following the membership recommendations herein.

For specific items or interests (e.g. for consultation about taxes, computers and software, or some other specialty), others may be requested to serve the committee on a consulting basis but, they would attend Finance Committee meetings only an ex-officio (non-voting) basis.

## **Committee Membership**

The committee members will generally be selected with the mutual agreement of the Area 10 Chairperson and the committee chairperson, giving consideration to the following:

1. The currently serving Treasurer should be a member of the committee, but in no case should the currently serving Treasurer or Deputy Treasurer serve as chairperson of this committee. Past Treasurers and Deputy Treasurers may serve as members of the committee.
2. A committee member may serve on the committee for two consecutive two year terms.
3. A current member of the committee may serve as a future committee chairperson.
4. A committee member may be eligible for reappointment to the committee after at least a one year period not serving on the committee.

5. A past delegate should serve as a member of the committee to provide an historical perspective of past Area activities.
6. Other than the committee chair, members of this committee will not receive an Assembly meeting stipend, so member consideration should be given to GSRs, DCMs, etc., who would otherwise be attending Area Assemblies.
7. A financial background can be useful but is not a requirement.

### **Finance Committee Meetings**

Finance Committee meetings are scheduled monthly and meet both in person and by conference call. The chairperson may distribute an agenda to the committee and the Area Chairperson prior to the meeting, as considered necessary. Additional committee meetings and working sessions can be accomplished by using conference calls or other electronic means to minimize travel and time requirements. Minutes should be taken at all committee meetings. These minutes should be distributed to the Finance Committee members, the Area 10 Chairperson, and retained in Area 10 Archives.

In general, AA members may attend committee meetings as visitors. As visitors, they have no voice on matters being discussed and are never allowed to vote. AA members who would like the Finance Committee to initiate discussion or research on specific topics of financial interest to the Area should submit the request in writing to the Area 10 Chairperson through a member of the Area 10 Committee. The request should include a brief explanation as to why the topic is being addressed. If consideration of a request is deemed warranted by the Chair, the request will be forwarded to the Chair of the Finance Committee for further consideration by committee members. The Finance Committee will report at a future Assembly its recommendation on the matter and present it to the Area Committee for discussion, approval or disapproval. If the consideration of the matter results in a recommended change, details of the recommendation will be emailed to the Area Committee prior to the Assembly in order that members of the Area Committee can obtain Group input.

### **Reimbursements and Budgets**

The committee will follow the Area 10 standing committee budget preparation, request and approval practices in requesting committee budgets.

### **Oversight, Continuity, and Guidance Activities**

The following is a list of duties the committee shall be responsible for performing:

1. Review the Area 10 annual budget formulation process with input and guidance from the Area 10 Committee, including all committees accountable to the Area 10 Committee and the Treasurer. The Finance Committee does not have authority to establish, dictate, approve or deny budgeted amounts for Area committees or activities; rather, its duties only relate to guidance on budgeting process, practice and policy.

2. Review and monitor Area 10 financial reports and statements to the fellowship.
3. Review preparation of budgets, Treasurer's financial reports, banking arrangements, other contractual arrangements, financial aspects of conferences, assemblies and conventions sponsored by the Area; Area 10 tax reports and other regulatory reports; other financial matters of the Area.
4. Review and make recommendations to the Area 10 Committee regarding all requests of a financial nature, e.g. budgeted or unbudgeted capital purchases, expenses, or changes in financial policy, e.g. guideline development or changes. Generally, all requests substantively impacting finances should be presented to the Area 10 Committee following review by the Finance committee, time permitting.
5. Develop and update statements of financial policy as requested by the Area 10 Committee or as the Committee deems necessary. Care should be made to be no more restrictive in guidelines and procedures than is necessary to assure ongoing financial prudence in matters of Area 10 finances. Policies and procedures should be seen as an aid to our trusted servants.
6. Provide support for the Area 10 Committee, the groups, and the AA membership to understand the financial needs and priorities of Area 10.
7. Periodically perform or arrange for financial reviews and audit review of various aspects of Area 10 financial activities and policies and work with the Area 10 Treasurer to address identified deficiencies, if any.
8. Where requested or if considered prudent the Finance Committee may assist Area 10 servants in the implementation of financial policies, processes and controls.

### **Financial Practices List**

The Committee is responsible for the creation and maintenance of a document that describes the financial practices currently in use by the Area. The document is not intended to limit the activities of the Area in financial and budgeting practices but to provide a basic text for trusted servants to use as a guide when positions rotate or when infrequently occurring events arise.

Changes to the listing of financial practices will be routinely required for a variety of reasons: a better way of doing something has been adopted by those responsible for financial matters; a change in legal requirements for the Area is required to follow; a new situation requires the Area to effect a transaction not previously encountered; etc. The Finance Committee should make an overall review of the financial practices listing during each rotation to ensure that it reflects current practice and that needed updates are made. If during the review process the Committee discovers a revised practice that they believe may not be in the best interest of the Area, the Finance Committee will discuss such practice with the responsible party. To the extent that the Finance Committee and responsible party maintain a difference of opinion, the Finance

Committee will report the matter to the Area Chairperson for guidance in resolving the matter.

### **Reporting**

The Finance Committee, which cannot make financial or budget decisions, only recommendations, generally makes reports to the membership as follows:

1. At each Assembly, a general report on committee activities since the last Assembly (presented as part of the committee reports section of Assembly agendas).
2. Reports on any recommendations resulting from consideration of topics from the former ad hoc committee report.
3. Reports on any requests made of the committee to research or consider specific topics.
4. Reports on the findings from any oversight activities.
5. Annually, a brief summary of current status report and the committee's progress to date on addressing the former ad hoc committee recommendations and suggestions.

Reports will generally be documented in writing, although certain routine or unsubstantial matters may be addressed orally.

### **Changes to the Committee Guidelines**

Proposed changes to these guidelines should be submitted in writing to the Area 10 Chair through a member of the Area 10 Committee. The request should include the affected paragraphs both before and after the change, and a brief explanation as to why the change is being requested. If consideration of a change is deemed warranted by the Chair, the request will be forwarded to the Chair of the Finance Committee for further consideration by the committee members. The Finance Committee will report at a future Assembly its recommendation on the proposed change and present it to the Area Committee for discussion, approval or disapproval.

### **Other Matters**

These guidelines cannot cover all financial eventualities that the Area will experience. As such, the Area may direct the Finance Committee to undertake other matters that may not have been considered if it is deemed prudent for the Area and the results of such activities will be reported back to the Area Committee for further consideration.