

Notes
Area 45's Proposed 2013-2014 Budget

I. Introduction

A. The following budget notes form an integral part of the proposed budget, which, if passed by the Assembly, provides for the operation of Area 45 from January 2013 to December 2014 at the levels set forth.

B. In accord with AA's Seventh Tradition, Area 45 strives to be self-supporting in all its affairs. In this spirit of self-support, the Area endeavors to be financially responsible for all Area expenses, including those incurred by those conducting business at the request of Area 45. To remove personal finances as a limiting factor in service work, such expenses should be reimbursed or noted for purposes of future budgets; the choice to be reimbursed should be left to the individual. Therefore, Area 45's budget attempts allocate sufficient operating funds to cover these expected operating expenses, plus an ample reserve, as described in Warranty 2 of Concept XII.

C. While much of the proposed budget tracks previous Area 45 budgets, there are also significant changes from prior budgets. The most significant change from recent Area budgets is the wide-ranging emphasis this proposed budget places on having Area 45 live within its means in recognition of the current economic climate.

II. Income

A. Groups directly contribute substantially all of Area 45's operating funds. Other sources of income historically have included interest on bank accounts, funds from the Convention, and literature sales. For 2013 and for 2014, the Proposed Budget projects direct contributions from groups of approximately \$25,000 each year. Since Area 45 depends on contributions from groups for substantially all of its operating funds, Area 45 encourages all groups to make regular contributions to all service entities. Of course, the services of Area 45 are available regardless of the amount --if any-- of a group's contributions to Area 45. Groups can refer to the pamphlet "Self Support: Where Money and Spirituality Mix" for more information about the Seventh Tradition and examples of distribution breakdowns. Each group is free to decide for itself how and where to best distribute its monies. Area 45 provides regular thank you notes to contributing groups with notification of the amount contributed. New group numbers are registered in the Treasury database. Contributions are entered under the group's service number to ensure proper record keeping. Each group can request a statement of its contributions from the Treasurer.

B. As stated in the notes to previous budgets, the budget floor for Area 45 is currently set at \$4,000.00, exclusive of the amount held in reserve. If the Treasurer anticipates a treasury balance nearing this figure, the Budget & Finance Committee will reconvene, and all new expenditures will require the unanimous consent of the full committee until the budget shortfall is addressed and resubmitted to the Assembly.

C. The Internal Revenue Service requires Area 45 to file income tax returns on a yearly basis. All contributions received (whether in cans, hats, baskets, or otherwise) constitute "income" for tax

purposes and must be reported. All income --including cash or other contributions directly to a Committee-- must be reported to the Area Treasurer for inclusion in the income tax filing. All Committees that have separate bank accounts should provide bank statements to the Area 45 Treasurer.

III. Expenditures

Area 45 traditionally structures its budget expenditures in four categories: (A) Expenses; (B) Committees; (C) Panel; and (D) Events. That traditional breakdown is maintained here.

A. Expenses

As in the past, under this category are listed items such as Area insurance, rent, phones, banking fees, printing, postage, and web hosting. The Sections host the Area Assembly and Committee meetings. The Area pays the rent for all its functions. The Area maintains a Committee phone line available to all committees who would like to set up a mailbox account with the Area phone number. Despite cost-cutting measures that produce significant dollar savings, this category still comprises about 25% of the Area's budget, about the same percentage of the budget in recent years. While the percentage of the budget is similar to previous years, two of the items listed under "Expenses" require additional explanation.

1. Area Rental: What was formerly a line item for storage of archives has been eliminated, as the Area has obtained a single larger storage unit to store all of Area 45's property and equipment together in one central location. Therefore, the proposed budget includes a new line item for "area storage" costs.
2. Newsletter: Facing a potential operating deficit, the Budget Committee determined it was necessary to recommend to the Area that it discontinue the print version of the newsletter in order to take advantage of the \$4000 potential savings per year. The line item now reflects only the cost of having the newsletter set up on a quarterly basis for email distribution. Discontinuing mailing also saves the Area significant bulk mailing costs per year.

B. Committees

As in the past, under this category are listed the funds allocated to the various Area 45 committees. As with the Area's Expenses, cost-cutting measures have produced significant dollar savings from previous budgets. Under the proposed budget, this category comprises about 20% of the Area's budget, down from about 25% of the budget in recent years. Committee Chairpersons and Panel members need to report in writing an up-to-date inventory of all equipment (software, computers, literature, TVs, etc.) and supplies to the Chair and Treasurer at the beginning of each calendar year. The proposed budget eliminates reference to certain committees, and leaves funding largely intact for others.

For example, Ad Hoc/Spanish Outreach and Special Needs are now referred to as Outreach/Remote Communities. References to Young Peoples and the Convention were likewise eliminated because their operation is assumed revenue neutral. Changes in funding to certain other Committees were relatively minor. Largely unchanged are the funding for Archives, Audio Visual, Budget and Finance, Grapevine, GSR/DCM Orientation, JalCon, Policy and Charter, Public Information, and Registration. However, several proposals require further explanation.

1. Convention: Under this proposed budget, the Convention is assumed to be revenue neutral, and to either break even or generate funds; this budget does not anticipate a loss per se, but recent increases in Area 45's reserve is largely in response to possible losses from future Area Conventions. As noted in previous budgets, the Area Convention requires careful management to assure Area 45 does not develop a financial risk. The trusted servants who manage the Convention should continue to exercise caution when dealing with Convention finances and are asked to immediately contact the Budget and Finance Committee and the Panel if issues arise. The Convention Budget must provide for the return of start-up money to the next Convention, and the cost of the Area Panel officers to attend the Convention.
2. CTF: In conjunction with the three intergroups, the CTF carries the message of Alcoholics Anonymous to alcoholics in correctional or treatment facilities in South Jersey. CTF also maintains the "Bridging the Gap" contact service. This proposed budget recommends a substantial reduction of the funding to CTF as a cost-cutting measure. The Budget Committee believes that these essential budget cuts proposed will not curtail CTF's core operations for several reasons. One reason that CTF's mission should not be adversely impacted is its ability to obtain contributions of cash directly or via LIPS cans. Another factor is the fact that CTF shares its mission with the three local intergroups and their CTF committees. In addition, except funding for an initial inventory of books, additional funding should not be required to replace those items, since CTF only distributes literature for which it has already received a contribution. Those contributed funds can be used to fund additional literature purchases, without requiring a continuous stream of funding from the Area directly.
3. Workshops: The operation and funding for this committee has been transferred for purposes of budgeting to the "EVENTS" category
4. Website: the Area 45 Website committee is responsible for maintaining Area 45's website. No funds are being budgeted for the cost for the server to host the website, as this will not need to be renewed until 2019. Future budget committees should be aware of this line item, which is therefore retained in the proposed budget.
5. Young Peoples: The South Jersey Committee of Young People in A.A. (SJCYPAA) provides an opportunity for the young people in Southern New Jersey to gather and enjoy the fellowship of other young people. As with the Convention, reference to this committee was deleted solely because its operations are revenue neutral.

C. Panel

Panel expenses under this proposed budget have been reallocated and readjusted. Each Committee Chairperson and Panel member is required to submit a quarterly expense report to the Treasurer. Receipts must accompany the report. Additional funds are being assigned to the Delegate, Alternate Delegate, and Secretary, reduced funds being allocated to the Chairperson and Treasurer, with the registrar's funding being unchanged.

D. Events

The proposed budget eliminates as expenses some items and events previously listed under this heading: (1) Delegate Reports- which expense is now allocated to the delegate's panel budget; (2) funding for the CTF Conference- which has been eliminated as a costs savings measure; and (3) ICYPAA- which event does not impose any costs on the Area. Other events and policies require additional explanation.

1. NERAASA. The purpose of the Northeast Regional Alcoholics Anonymous Service Assembly is for the GSRs, DCMs, Area Committee members, and Intergroup representatives of the Northeast Region, to discuss General Service Conference related issues and concerns affecting A.A. as a whole, as well as pertinent aspects of recovery, unity and service common to the Areas of the Northeast Region. As a cost saving measure, the budget does not allocate funds for all six panel members to attend NERAASA in 2013; full funding is restored in 2014 to accommodate the needs of a new panel.

2. Mileage and Travel. Auto mileage is reimbursed to Panel and Committee members at the rate of fifty cents (50¢) per mile, which includes the cost of tolls. Travel within one's home section will only be reimbursed for trips over thirty (30) miles. When it is possible to obtain common transportation, such as a van provided by Area 45, the mileage reimbursement is disallowed. Those Panel members traveling to weekend service events more than a four (4) hour drive from their home may request an extra day of travel, arriving on the Thursday night before the event. The Panel is encouraged to share rooms, when possible, to help minimize cost.

IV. Existing Budget Policies

These budget notes focus primarily on the changes from previous budgets, and are not intended to exhaustively address every possible situation or question that may arise. Generally, unless revisions are proposed, the knowledgeable guidance provided in the past by our trusted servants in prior Area budget notes remains valid and valuable precedent. The *Area Handbook* and the *A.A. Service Manual/Twelve Concepts for World Service* also provide guidance on many issues not addressed in these budget notes. Of course, final responsibility and the ultimate authority for the Area's operation should always reside in the collective conscience of our whole fellowship

R.H.