

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.

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

“Now where do A.A.’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 A.A. 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 recognition on our part that A.A. 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 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 in this Guideline, please let us know, so that we may share your experiences with others.

Often-asked questions about finances directed at G.S.O. cover such topics as group rent, bank accounts and insurance; reimbursement for service workers’ expenses; I.R.S. deductions and tax I.D. numbers, and the role of the General Service Board.

WHERE MONEY AND SPIRITUALITY MIX

Members celebrate sobriety by giving time, energy and money in support of our Twelfth Step—carrying the message—the basic service that the A.A. Fellowship offers. Members assure that group expenses are paid by putting money into the basket passed at each meeting. It is each member’s responsibility to support the services that have been requested by the A.A. Fellowship, to help facilitate A.A.’s vital Twelfth Step. Contributions are made in a spirit of sacrifice, and they honor A.A.’s code of “love and service.” Contributions also underscore the spiritual nature of our Fellowship and our mutual love and trust. We have found that these contributions are as important to each member as they are to the service centers supported.

SUPPORTING A.A.’s STRUCTURE

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

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

Question: How can groups participate?

Answer: To help support A.A.’s essential services, the General Service Conference suggests that individual groups, through an informed group conscience, adopt a specific contribution plan tailored to meet the group’s financial situation. Once the basic group expenses have been taken care of (rent, refreshments, A.A. literature, local meetings lists), and a “prudent reserve” has been set aside to cover unexpected expenses, the group may decide to further carry the message by sending money to the following A.A. service entities:

- The local district, which communicates directly with the groups, providing the district group conscience for the area

assemblies, and serving as a link between the area delegates and the G.S.R.s.

- The area committee, which coordinates vital A.A. activities over a broad geographic area; sends a delegate to the annual General Service Conference; holds area assemblies to determine the needs of the Fellowship; and provides information at all levels of service.
- The local intergroup or central office, which may provide phone service for the Twelfth Step calls and other inquiries; coordination of group activities; A.A. literature sales; institutions work; public information and cooperation with the professional community activities.
- A.A.'s General Service Office, which functions as a storehouse of A.A. information, communicating with members and groups in the U.S. and Canada, and sometimes around the world; publishes A.A.'s literature; and supplies information and experience to professionals and others interested in A.A.

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 General Service Board (for G.S.O. operations)?

Answer: Each A.A. entity—group, district, area, central or intergroup office, and G.S.O.—provides a specific service and is autonomous. Separate contributions need to be sent to each entity. (Note: Some local A.A. entities do pass along a portion of the contributions they receive to G.S.O.)

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

Answer: Outlines for contribution plans are described in the pamphlet "Self-Support: Where Money and Spirituality Mix." Individual groups decide based on their group conscience. For suggested contribution plans see page 5 of this Guideline.

Question: After covering our group's expenses, we have very little money left. Isn't it embarrassing to send what seem 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 service assembly, one G.S.R. said, "It is a spiritual obligation to participate by contributing."

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.

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 or 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 Board of Alcoholics Anonymous can be sent to:

General Service Office
Grand Central Station
P.O. Box 459
New York, NY 10163

Please make checks payable to the "General Service Board" and write your group number on the check. Preaddressed group contribution envelopes are available from G.S.O. (See catalog/order form.)

Question: Is it possible to make contributions online?

Answer: A.A. members can also make contributions online at G.S.O.'s A.A. Web site www.aa.org These online contributions may be made by credit card or "E-Check" from U.S. banks. Users first create a confidential user profile, which includes a user ID and a password.

While the Contributions Online site is protected by state-of-the-art encryption technology, G.S.O. suggests that members use the online contributions system from a personal computer that they own or completely control, as entering confidential personal and/or financial information on a public or shared computer can pose security risks. It is suggested, therefore, that members using computers in libraries, hotel business centers, Internet cafes and even workplace computers and computers owned by friends or acquaintances continue to make their contributions through the traditional telephone or postal methods.

FREQUENTLY ASKED QUESTIONS

Question: Our treasurer just ran off with the money. What should we do?

Answer: Unfortunately, this sort of thing, though rare, does occur. Though legal action is always an option, most groups avoid it. In some cases, the person who stole the money will resurface and return it.

Whether or not that happens, some groups have found it helpful to hold a group conscience meeting to review the way the group's finances are being handled. Some sample questions for such a group conscience meeting might include the following: Does the group choose well in their selection of a responsible member to be the treasurer? Is the treasurer helped to an understanding of his or her responsibility as suggested in the pamphlets "The A.A. Group," "Self-Support: Where Money and Spirituality Mix," and the service piece "The A.A. Group Treasurer?" Are they holding the treasurer accountable by receiving regular financial reports and are the trea-

sureur's records available for review at business meetings? Are excessive funds being accumulated by the group?

Question: Our group is planning a party to celebrate its anniversary. Can we use Seventh Tradition funds to pay for the decorations and food?

Answer: Most A.A. members understand that their Seventh Tradition contributions will be used to pay group expenses and Twelfth Step work. Group anniversary parties, while considered traditional and helpful by many A.A.s, are not generally regarded as Twelfth Step work. Some groups ask their members to dig deeper into their pockets to cover a celebration. Others choose to pass a second basket. It is a matter for each group to decide, and either course would not seem to conflict with the Seventh Tradition of self-support.

Question: Can our group accept donations from local businesses or other non-A.A. individuals or organizations? Can our group make a donation to a local homeless shelter, treatment facility, etc.?

Answer: 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.

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 provide equipment or furnishings for the facility, or help with upkeep.

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

Answer: Each group, district, area or service committee is autonomous, 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.

In 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. Expenses for area officers are usually covered by the area treasury. *The A.A. Service Manual* includes information on the subject.

BANK ACCOUNTS & TAX ID NUMBERS

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: No. 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. No local A.A. organization can use the tax-exempt status or identification number of the General Service Board of Alcoholics Anonymous, Inc., since each entity is autonomous in financial matters, as in all other ways. Local entities should obtain their own tax-exempt status and I.D. numbers.

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

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

Answer: There is a relatively simple way - the first step is to obtain a "Federal ID Number." Each group must obtain its own number by filing form SS-4, "Application for Employer Identification Number." To obtain the form, call your local IRS office listed in the phone book. You can access the IRS Web site and download the form at www.irs.gov.

The form asks if there is one group exemption number that applies to all. There is not; each group must obtain its own number.

To achieve tax-exempt status requires additional work. First, obtain the IRS form, Publication 557, "Tax-Exempt Status for Your Organizations." (Your G.S.O. is exempt under section 501 (c) 3 of the code.)

If you decide tax-exempt status is necessary, contact the IRS for 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." As rigorous reporting may be required, an accountant or tax lawyer can be helpful in the process.

Question: What about local/state/province taxes?

Answer: We cannot help you there. We suggest that you talk to people in your area who may have related experience.

TAXES, GROUP EXEMPTIONS, ETC.

G.S.O. is in no way attempting to give tax advice for single A.A. groups or other entities. We are only attempting to make you aware of various changes in the tax law that you might discuss with local accountants or tax practitioners. This information relates to the United States only, and does not apply to Canada.

Some questions we have recently received are:

- I have heard that the laws have changed and our group is automatically exempt from taxes.
- I have heard that our group should have been filing a postcard instead of a tax return.
- I have heard that because we have not filed the postcard and three years have passed we are automatically not tax exempt.
- I have heard that contributions to my group are (are not) tax deductible because we did (did not) file the postcards.
- My group does not want to take the time and expense to comply with the new rules.
- My group does not take in enough money to bother with the rules.

Question: Can I deduct the contributions to my group?

Answer: Unless your group is formally exempt — which means having gone through the full process of becoming exempt, filing the appropriate forms and paying the appropriate fees — contributions to your group are not deductible on your personal tax return.

If exemption application were not filed, donors cannot deduct any charitable contributions to an organization that is required to apply

for recognition of exemption, but has not done so. (Page 20 Chapter 3 section 501 (c) 3 Organizations)

If your group's annual receipts are under \$5,000 you do not have to apply for exemption. However, if the I.R.S. has no record of the group (i.e., they did not register voluntarily for the 990-N program) then it does not seem logical that contributions can be deducted.

Question: Are contributions to G.S.O., (The General Service Board in New York) tax deductible?

Answer: Yes. The General Service Board of Alcoholics Anonymous in New York is on the list of approved tax exempt organization that are able to accept contributions under section 501 (c) 3 of the Internal Revenue Code. All the proper applications were filed and the G.S.B. was approved by the I.R.S. as a tax exempt organization able to accept contributions. The organization employs accountants and has an annual audit by outside certified public accountants and files appropriate annual tax returns with the I.R.S., which are available for public inspection.

Question: Are contributions to my local Intergroup or Area structure deductible?

Answer: You cannot make a generalization about local entities; you must ask them if they have received a letter from the I.R.S. stating that they are tax exempt.

Question: What do groups use for articles of incorporation or bylaws? Our group is not incorporated or formally organized and it looks like the I.R.S. instructions, or banks, require such information, what shall we do?

Answer: The information required by the I.R.S. calls for organizing documents. We understand that on occasion some A.A. groups or other entities have used the short form of the Traditions as their governing documents.

Question: What should I do if my group takes in more that \$5,000 but does not think it is important to file the appropriate paper work?

Answer: Try to have a discussion at a business meeting that explains that as good members of society the group should be mature enough to comply with appropriate laws.

Question: Why have these rules changed and why must we do this?

Answer: Tax rules are always evolving and will probably always continue to do so. Not-for-profit organizations (mostly charities) have received a lot of attention in the past few years, in part because some organizations abused the rules and were operating for the personal benefit of certain individuals who controlled the organizations. In addition, the tax benefit of deducting charitable donations means that the Federal government has an important interest in insuring that charities are formed, operated and dissolved in an appropriate and legal manner.

Excerpted from I.R.S. publication 557, page 22 (Rev. October 2010)

Organizations Not Required to file form 1023 (application for exemption)

Some organizations are not required to file form 1023 (application for exemption).

- "any organization (other than a private foundation) normally having annual gross receipts of not more than \$5,000."

These organizations are exempt automatically if they meet the requirements of section 501 (c) 3.

Basically, section 501 (c) 3 covers charitable, educational, religious and scientific organizations.

Required annual filings:

Question: Is an organization required to file an e-Postcard (annual return) if it was not required to file an application for tax exemption?

Answer: Yes, certain organizations do not have to apply for tax exemption but still have an e-Postcard filing requirement. If your organization did not file an application for tax exemption because it is a section 501 (c) 3 organization whose gross receipts in each taxable year are normally not more than \$5,000, or because it is exempt under another code section, such as 501 (c) 4, an officer of the organization should call Customer Account Services at 1-877-829-5500 (toll-free number) and ask that the organization be set up to allow filing of the e-Postcard.

An e-Post card contains the following information: Employer Identification number; Tax year; Legal name and mailing address; Any other names the organization uses; Name and address of principal officer; Web site address if organization has one; Confirmation that the organizations annual gross receipts are normally \$25,000 or less (\$50,000 for tax years ending on or after December 31, 2010); If applicable a statement that the organization has terminated or is terminating (going out of business).

There is some discussion about three years having passed since the laws changed and organizations not having filed the e-Post cards. Likely the best course of action is to call the number above and ask to have it set up now.

Organizations with gross receipts normally in excess of \$5,000 wishing to be considered tax exempt should file the appropriate paper work.

Organizations having done so with gross receipts up to \$25,000 through December 31, 2010, and up to \$50,000 thereafter may still file the e-Post card Annual Return discussed above.

Organizations having gross receipts from \$50,000 to \$200,000 may file form 990 EZ, and those with gross receipts over \$200,000 or assets more than \$500,000 are required to file form 990.

INSURANCE

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

Answer: No. G.S.O.'s liability insurance 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" to the facility's liability insurance policy. The group might consult a local insurance agent or attorney about liability matters.

G.S.O.'s FINANCES

Question: Who manages contributions made to the General Service Board?

Answer: 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 budgeting process of G.S.O. is under the direction of the C.F.O. (chief financial officer), who oversees the annual budget for G.S.O., which is reviewed by the general manager before presentation to the Finance and Budgetary Committee of the A.A. World Services Board. A.A.W.S. then forwards the budget to the trustees' Finance & Budgetary Committee, which recommends the budget to the General Service Board.

Question: What is the General Fund?

Answer: Contributions to G.S.O. by A.A. groups and members make up the General Fund, which is administered by the General Service Board. G.S.O. does not accept contributions earmarked for a specific project or service.

Question: What is the Reserve Fund?

Answer: The Reserve Fund is G.S.O.'s prudent reserve. Its principal purpose is to provide the financial resources to continue the essential services of G.S.O. and the A.A. Grapevine for up to a year in the event of an unexpected and substantial reduction in the normal revenues of the organization.

Question: How are G.S.O.'s services funded?

Answer: Approximately 70% of G.S.O. services' funding comes from group contributions, the Birthday Plan, central office/district/area contributions, and excess funds of A.A. events or conferences. The balance is made up of profits from the sale of A.A. literature.

Question: Is there a limit to how much an A.A. member can contribute to G.S.O.?

Answer: Yes. That limit is \$3,000 a year.

Question: Can people leave money to G.S.O. in their wills?

Answer: Bequests in wills are acceptable only from A.A. members, with a maximum of \$5,000 from any one person, and only on a one-time basis—not in perpetuity.

Question: Can a non-A.A. member make a memorial contribution to G.S.O. in honor of an A.A. member who has passed away?

Answer: Though G.S.O. deeply appreciates these offers, we return checks—whether they are in memoriam or otherwise—to all non-A.A.s. A.A. does not accept contributions from non-members. When we receive a memorial contribution at G.S.O., we return the check with a letter letting the individual know of our tradition of self-support. G.S.O. explains to non-members what can be one of the most baffling aspects of our Fellowship.

Question: Are there limits on the amount of money an A.A. group or an A.A. event can contribute to G.S.O.?

Answer: No.

Question: Does G.S.O. accept contributions by credit card?

Answer: Yes.

Question: I keep hearing about the Birthday Plan. What is it?

Answer: The 1955 General Service Conference approved the Birthday Plan, under which some members of the Fellowship send a dollar a year for each year of sobriety they have in A.A. Others use a figure of \$3.65, a penny a day, for each year. Some give more, but the amount cannot exceed \$3,000 for any year.

Question: What is Gratitude Month all about?

Answer: Many groups have designated November as a particular time to give thanks to the A.A. program. In 1970, as an extension of the Birthday Plan, the General Service Conference recommended that "area and state committees supplement regular group contributions by sponsoring a Gratitude Month."

For more information on finance:

"The A.A. Group Treasurer"

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"

Samples of Group Contributions to A.A. Service Entities*

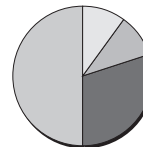
Distribution Plan of _____
(YOUR GROUP NAME)

Your Group Service # _____
(Be sure to write group name and service # on all contributions.)



- ___% to district
- ___% to area committee
- ___% to G.S.O.
- ___% to intergroup or central office
- ___% other A.A. service entities
- ___% other A.A. service entities

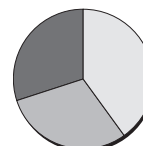
OR



- 10%** to district
- 10%** to area committee
- 30%** to G.S.O.
- 50%** to intergroup or central office

OR

If you have no intergroup/central office.



- 40%** to district
- 30%** to area
- 30%** to G.S.O.

*From "Self-Support: Where Money and Spirituality Mix."

www.aa.org