



AREA 07

2025 SPENDING PLAN: INFO AND OPTIONS

Area Committee Meeting

August 17, 2024

Treasurer & Finance Committee

Outline

- Area purpose
- Spending plan: what is it and what is the process?
- Typical and recent spending of surplus
- Where we are now: time to reflect and trim
- Next steps or options for balancing the 'budget': increase revenue and/or decrease spending?
- Start the ongoing conversation of group conscience and input

Purpose: Why do we have an Area?

AA Service Manual

- To elect a delegate to represent the area's conscience at the annual General Service Conference.
- To form a local decision-making structure so groups can collectively decide on matters that affect their area.
- To carry out Twelfth Step work that may not be practical for groups, districts or intergroups to take on by themselves. Examples include, but are not limited to: accessibility/treatment/ corrections, communication (e.g., bulletin, website), literature, CPC/PI, translation.

Purpose: Why do we have an Area?

Area 7 Additions (Service Material Book) (combined, paraphrased)

- Create a collaborative and cohesive culture at all levels of service – for full participation in GSC process – with unity experienced through meetings, special events & fellowship.
- Develop and utilize best forms of communication to districts, groups, and members, including equal opportunities to fully participate through translation & interpretation.
- Serve as resource for districts on BTG, CPC/PI, and other 12th step opportunities – by sharing service experience and serve as a guide for trusted servants to grow – and maintaining our Archives.

What is a spending plan?

- A spending plan is a living example of principles of recovery – overseen by the Steps, Traditions and Concepts.
- We do a spending plan each year.
- We HAVE \$ - we GET to spend to help others – and we UNIFY our conscience over time.
- Revenues and expenses align, usually; some unexpected things happen.
- An opportunity to look at our Area missions and our values, take a brief inventory and affirm things in line and adjust to slightly new realities.
- Group consciences are key in Area, Districts, Groups & Members.

Principles for the 2025 spending plan



Approach

- Transparency, integrity, discipline, responsibility, service.
- Use group conscience and inventory for unity and finances.
- Be aware of those that 7th tradition occurs at group, district and area level and informed by group conscience.
- Be prepared that some decisions will be difficult and consider what is the best value of each dollar spent.
- Prudence: what service is essential and what is not?

Principles for the 2025 spending plan



Business and logistics

- Where is there redundancy?
- Use a 3-year average with both longitudinal estimates of current officers/chairs.
- Follow federal trends on expenditures (e.g., mileage cents/mile), if feasible.
- Make the Spending Plan transparent: edit, spell out and less lumped.
- Clarity of presentation: ongoing vs. new, one-time vs. regular expenditures, edits vs. additions.
- Balance the Plan in terms of expenses & revenue.
- Ensure DCMs, GSRs and groups have practical info to communicate & gain input.

Where are we usually and after COVID?

- Usually, \$10,000-\$15,000 in the bank and a spending plan of about \$60,000.
- 2020-24: surplus funds of about \$34,000 (so \$45,000 and \$95,000 or so)
 - We took strides to become bilingual = translation/interpretation costs in 2022 = \$3,100, 2023 = \$8,500, 2024 = \$8,500 and equipment, in 2022-23 = \$2,000 and in 2024 = \$5,000 for 40 processors.
 - Prudent Reserve increased in 2023 = \$5,000 (total of \$15,000)
 - Sinking fund for non-annual special conferences = \$3,300 (for even years)
 - General Service Conference contribution for delegate increased from \$1,800 to \$5,000 in 2023-24 = \$6,400 (\$3,200 X 2 years).

Our assessment of where we are

- *Nov-Dec:* considered Archives rent increase and added Alt Arch going to national conference & began calculating what has been spent.
- *Jan-Febr:* new Officer team, got oriented & Winter Assembly; less \$ in bank.
- *March-April:* calculated the the numbers just presented with accounting back to 2019 - reported we'd basically spent the surplus in Accents and Pre-Conference Assembly.
- *May-June:* motion to raise Archives spending passed, yet re-iterated surplus spent; also noted more efficient spending, lower end of month \$ in bank, & may face cuts in 2025.
- *July:* overview of spending plan 2024 vs. 2025; expenses about \$15,000-\$20,000 over revenue and likely increase Archives \$235 rent to \$1,000.

Spending plan trends

- 2021: underspent.
- 2022: spent more than usual (GSC funding, translation added) = spent about $\frac{1}{4}$ of the surplus.
- 2023: new normal with GSC, translation & one-time technology = spent about $\frac{1}{2}$ of the surplus.
- 2024: new normal (as in 2023) with more conferences & one-time technology = spent about $\frac{1}{4}$ of the surplus.
- 2025: new normal (as in 2024) with \$18,000 deficit or gap *and* likely Archives rent increase of \$6,000 = \$24,000.

How to close the gap?



- Step A: move cost of translation into assembly registration.
- Step B: reduce PRAASA, Forum and special conferences (affects officers & chairs and our connection with other areas and General Service Office/Board).
- Step C reduces mileage reimbursement: affects officers and chairs.
- Step D reduces cost of Accents: affects all of us.
- Step E declares need for increased contributions: affects all of us.

Considerations for reduced spending & with Archives rent \$725/mo

Item	Area Savings	Impact
Transfer cost of Assembly interpretation to Groups via Assembly registration cost increase	\$0	Costs per Assembly registrant estimated \$5/each one
Reduce conferences --PRAASA, Forum and Special Conferences	\$10,000	Fewer Area positions attending events
Reduce: --Hispanic Conference Contribution (\$800 to \$500) --Liaison Travel (\$1000 to \$500) --Local Forum Liaison (\$1000 to \$500)	\$1,100	Fewer attending events (although some of these might also establish hybrid options)
Reduce mileage: --from IRS rate of \$.67 to \$.55/mile	\$6,300	Increased burden on Area positions, could inhibit some from serving
Reduce printing/mailing: --Accents	\$6,580	Some without computers or smart phones may lose access to information
Establish hybrid Assemblies	Unknown*	Hybrid Assemblies would save money for Groups in reduced travel expenses

Considerations & questions for increased revenue?

- All of the above AND
 - Without Archives rent increase ... contributions RAISE by \$2,000?
 - With Archives rent increase ... contributions RAISE by \$6,000?
- Questions
 - How are we doing with the 7th Tradition, in general? Is recovery 1st in our life?
 - Are we giving 'enough' to who ... our home group, other meetings, the District, the Area and the General Service Office/Board?
 - What are reasonable practices for groups and districts that might work for the Area?

What about new things coming into play?

Archives

- Ad hoc Space Committee, and then Assembly, voted to increase Archives expenses with the information they had at the time
- The Area Treasurer and Finance Committee have since determined that the planned amounts voted are unsustainable
- Our challenge: find a “home” for Archives that ensures the integrity of their work and remains within spending constraints

Accessibilities?

Hybrid assemblies: expense or revenue?

Other?



Next steps...this is only *the beginning of the conversation!*

- Area representatives, DCMs, GSRs, Groups: review the materials and provide input at Spending Plan workshops (see flyer) and September ACM.
- Prioritize services that most closely align with Area Purpose.
- Strive to ensure unity, accessibility and fellowship at the Area level.
- GSRs – inform groups and come to Fall Assembly prepared to voice group consciences regarding spending.
- Participate in the Area Inventory to inform the process.



Thank you!

Questions?

Suggestions?