

Southern Minnesota Area Assembly (SMAA)
Highlights for 2020 Budget
First Draft – 5/31/2019

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SMAA’s budget history:

- Our area finished each the past several fiscal years with a substantial balance in our Operating Fund. Each year, our budgets reflect an intentional effort to spend down the excess. However, in both 2017 and 2018, contributions were higher than budgeted, and expenses came in well under budget. Thus, we began 2019 with a balance of \$26,537 in our Operating Fund.
- Anticipating some of this, 2019’s budget included plans to spend down \$8,169. Even if we can manage to do that, we would still close 2019 with a substantial balance.
- Further, accounting for 2019 activity to date: as of May 31, contributions are \$2,280 higher than budgeted, and our expenses are \$6,813 below budget. At this rate, we are likely to close 2019 with an even higher Operating Fund balance.

SMAA’s policy on the limitation of accumulated funds:

- Concept XII, Warranty 1 (*Service Manual*, p. 61) cautions AA entities against becoming “the seat of perilous wealth and power.”
- SMAA’s Finance Policy (Section 7, p. 13) provides us with two guardrails to help us manage our financial health: 1. Our Reserve Fund ensures we maintain adequate funds to meet our financial obligations; 2. The cap on our Operating Fund ensures we’re never sitting on vast sums of money.
- Each year, the Reserve Fund is automatically adjusted to hold 1/6 of the current year’s budget. For 2019, that amount is \$14,200.
- The cap on the Operating Fund is set at 1/3 of the current year’s budget: \$28,500, for 2019.
- If/when the combination of our Reserve Fund and our Operating Fund surpass 50% of the current year’s annual budget (\$42,700, for 2019), our Area Chair must decide whether to disburse a portion of the excess funds to AA’s General Service Office.
- Group contributions to SMAA are intended to support activities that carry the AA message across Southern Minnesota. Therefore, it’s important for us to find local opportunities to do that.
- **Note:** neither the Pink Can Checking, nor the Delegate’s Fund are included in these calculations.

2020 Budget

- As we prepare the budget for 2020, we are, again, in a position to make a concerted effort to spend down our excess accumulated funds.
- People frequently refer to this as a “deficit budget.” However, that insinuates we are budgeting for a “loss,” that we are planning to spend beyond our means. When, actually, this budget draft reflects the area’s effort to meet its responsibility to avoid the accumulation of excess funds. We’re trying to direct that effort into activities that demonstrate a prudent effort to carry the AA message across southern Minnesota.
- Toward that end, Area 36 encourages our districts, groups, and members to bring ideas forward—at any time.

Noteworthy Items on the 2020 Budget:

Contributions:

- **Group Contributions** assumes a 6% increase over the prior twelve months of actual contributions: January through May 2019, plus June through Dec. 2018.
- **Special Contributions** is a monthly average, derived from the total, actual, special contributions for the prior twelve months (as noted above).

Expenses:

- **Area Committee Meeting rent** increase: due to issues with high staff turnover at the Mankato City Center, it seems increasingly prudent to research alternative locations for ACMs. The budget accounts for the likelihood of higher rents.
- Rents and expenses for **other area meetings** (Assemblies, Trusted Servant Leadership Training, Inventory, etc.): for the time being, the budget amounts in this draft mirror those in the 2019 budget. As our Area Chair secures locations for area meetings in 2020, we'll revise the budget to include the actual contract amounts.
- The 2020 budget adds **ASL interpreters** for the Trusted Servant Leadership Training. It also includes ASL for the full Recovery, Unity, and Service Conference (vs. only Saturday). The Accessibilities Committee Chair included this in her budget request. By previous action, the Area Assembly has demonstrated support for ASL access at other area events, so we've included this expense in the 2020 budget. The expense appears under the individual event's budget.
- **State Fair Public Information (PI) Booth**: the budget includes \$200 to cover the Fair entrance fee for the PI Chair, the PI Booth Coordinator, and each of the Area 36 Day Captains.
- The 2020 **West Central Regional AA Service Conference** (WCRAASC) will be in Billings, Montana. In keeping with the area Finance Policy, the budget for travel to this event includes airfare and two nights' lodging for each of the area officers and standing committee chairs. Where possible, trusted servants will share lodging accommodations. "Miscellaneous Travel" is airfare.
- **Archives, Corrections, and Treatment budgets** include travel to the committee-pertinent national conferences that the Area Assembly approved as amendments to the 2019 budget. Again, airfare is accounted for under "Miscellaneous Travel."
- Treatment's budget includes \$1,000 for the exhibitor fee to the annual Minnesota Association of Resources for Recovery and Chemical Health (**MARRCH**) conference.
- The IRS increased its business mileage reimbursement rate in 2019. As a result, SMAA's **mileage reimbursement rate** has increased from \$.35 per mile, to \$.36 per mile.