

PRUDENT RESERVE WHAT DOES IT MEAN AND HOW MUCH SHOULD WE HAVE?

National Office receives many enquiries from Group Treasurers asking how much money the group should retain and what to do with their surplus funds. The following should help answer any queries you may have.

WHAT IS A PRUDENT RESERVE?

A prudent reserve is an amount of money put aside for use in extraordinary circumstances. It is not held for use in normal circumstances.

WHAT KIND OF EXTRAORDINARY CIRCUMSTANCES IS IT USED FOR?

- If, for some reason, the group or office finds itself without any funds whatsoever.
- Your rent or other expenses increase dramatically unexpectedly.
- You receive no income, or much less than the normal expected income.

WHO DECIDES HOW MUCH MONEY WE SHOULD KEEP AS A PRUDENT RESERVE?

The amount you keep is determined by your Group Conscience.

IS THERE A SUGGESTED AMOUNT WE SHOULD KEEP?

In 1991, the General Service Conference made the following suggestions:

Central Service Offices

The suggested amount for Central Service Offices is between 6-12 months operating expenses, e.g. if you have an average monthly expenditure of \$1,000, you should put aside between \$5,000 and \$12,000.

Groups, Areas and Districts

The suggested amount for Groups, Areas and Districts is between 1 and 3 months operating expenses, e.g. if your average monthly expenditure is \$150, you should put aside between \$150 and \$450.

WHAT SHOULD GROUPS DO WITH THEIR EXCESS FUNDS?

It is recommended that you distribute excess funds to the National Office, your local Central Service Office, Area and District. The amount you send each one is entirely up to you.

Direct deposit books for donating funds to National Office are available from National Office on request.

WHAT LITERATURE CAN WE READ ON THIS SUBJECT?

- The AA Group Handbook
- The Group Donations Plan to support the AA Service Structure pamphlet
- Memo to a Group Treasurer

All have been approved by the General Service Conference

WHERE CAN WE GET THIS LITERATURE?

From your National Office or your local Central Service Office.