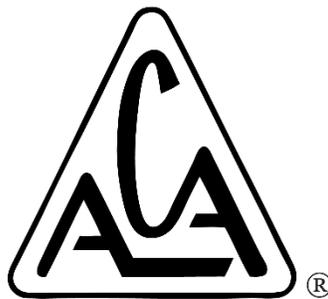


**ADULT CHILDREN of ALCOHOLICS
WORLD SERVICE ORGANIZATION, INC.**



DC OVERSIGHT COMMITTEE REPORT

to the

**Strategic Planning Meeting
October 26 – 29, 2018**

Bill D., Chair
Jim B.

Distribution Center Oversight Committee Report

DC Oversight Committee Role

In April of 1986 the Adult Children of Alcoholics World Service Organization (ACA WSO) was created by changing the name of the Adult Children of Alcoholics Central Service Board, Inc. to the Interim World Service Organization. The IWSO later became ratified as the ACA WSO.

The ACA WSO OPPM states that “A priority of the ACA WSO Board is to provide an accessible office that offers recovery information of the ACA Twelve Step Program to everyone. WSO employs special workers (Staff) who provide a number of services, including, but not limited to the following:

1. Answering phone and mail inquiries.
2. Providing information for those seeking recovery through attendance at ACA meetings.
3. Facilitating the sale and distribution of merchandise and WSO conference-approved literature.
4. Distributing information to the therapeutic community and the public.
5. Maintaining the list of ACA meetings, Intergroups and other service levels.
6. Maintaining files for financial records, contracts and other legal documentation, original copies of WSO literature files, archival information about the fellowship and other important correspondence.
7. Ensuring that the proper flow of information happens among appropriate Board members, committees, Staff and vendors.”

As provided for in the OPPM “The purpose of the Oversight Committee is to maintain contact with the office management to ensure that all operations are running smoothly, that policies are being followed, and that the Staff has the resources they need to do their jobs.”

The OPPM also outlines the membership makeup of the committee “This committee shall be made up of Board members and volunteers with specific business and technology expertise. This committee should include at least one member of the Board’s Executive Committee.”

As the ACA WSO and its office has grown over the years the role of the DC Oversight Committee has changed. Initially it provided a means for the Board of Trustees to produce and store literature and maintain a meeting directory and mailing list. It has now evolved to the central clearing house for all things ACA in the world as well as the distribution center of a thriving publishing and product sales corporation.

The Primary Function of the DC Oversight Committee

The Primary function of the DC Oversight Committee has changed over the last few years from the day to day managers of the office to a role of oversight. This change began when the WSO hired an operations manager in mid-2018 and is managing the business operations.

The role of the DC Oversight Committee is to provide a formal method for the board of trustees to perform its fiduciary responsibility of monitoring the assets and performance of the organization by reporting on these items regularly to the board of trustees and membership.

These reports are prepared by routinely receiving and reviewing sales and inventory reports, developing longer term sales strategies with the office, monitoring the performance of the business and service office, and collaborating when needed to develop recommendations for expanding the fellowship services, technology, and publishing business.

Inventory Management

One item the CPA auditors have cited in their two prior audit reports is that WSO needs to improve its inventory management. WSO inventory is verified by manual counting on a regular basis at the end of each calendar month. This is a fundamental component of inventory management, but not the only component. The use of the inventory during the month needs to be reconciled against the beginning and ending counts to confirm the inventory is accounted for properly.

WSO currently has two separate reports regarding inventory and sales. One is produced by the office and product shipping staff. The other one is produced by the accounting staff. The DCOC is going to merge the two reports into one report and reconcile what is sold and what is shipped in order to provide the final step in inventory management oversight.

To do this a new report called Product Sales and Inventory Reconciliation Report is being created to perform a comparison of the beginning and ending monthly inventory counts against the monthly sales and other inventory uses.

Both current reports need to be cross checked with the inventory listed in Quickbooks and with each other to make sure they have the same SKU numbers for each inventory item and all items are listed the same in all the locations.

The oversight committee is working on this with the external accountant and accounting staff who will work with the office to bring the reports into agreement.

Sales Reports

As mentioned previously meaningful sales reports are needed and the reports WSO has received in the past have long had their accuracy questioned by the board because they could never be reconciled with the physical inventory counts or actual revenues.

They are currently being prepared by accounting staff based on shipping reports but there is no verification with the inventory counts. These reports are being modified by the oversight committee to include sales per quarter as compared to the same quarter the prior year. A variation will also be available that provides a 12 month rolling sales report.

The sales figures are imported via 3rd party connector software and are cross checked against order shipping software reports to ensure all sales are being recorded.

This report will be the basis for the sales quantities used in the new Product Sales and Inventory Reconciliation Report mentioned below.

Sales and Inventory Reconciliation Report

The oversight committee has been developing a new report titled Product Sales and Inventory Reconciliation Report. This report allows for the inventory counts, sales figures, and other uses of inventory to be entered in a single spreadsheet that calculates the difference between calculated inventory and actual physical count results. This will be invaluable in tracking our sales and allow us to forecast future needs for all our products.

Significant Accomplishments in 2018

The work the DCOC committee is doing with developing procedures and reports is important for the success of the future boards and DCOC committee members in understanding our business operations and fiduciary responsibilities.

One of the best recommendations to come out of the DCOC in 2018 was to increase the purchase quantity for our publications and products. By ordering BRB, YWB and Meditation books in quantities as high as 10,000 units WSO dramatically lowered its per unit cost which resulted in a higher margin on the products sold. It also alleviated frequent ordering which often resulted in production delays causing out of stock situations.

As mentioned above a great deal of the effort of the DCOC from 2017 up until July of 2018 was spent simply managing the business to keep inventory in stock as well as addressing issues between management and staff. The oversight committee should be commended for keeping the business operation running through challenging times. This

includes all members of the board who served on the oversight committee from 2017 through current in 2018. What we accomplished by keeping up with the over 40% increase in sales was really quite incredible.

Looking Forward to 2019 and Beyond

The oversight committee will continue to perform its oversight function by reviewing reports and possibly developing new ones that can be used by other committees. It will use these reports to evaluate the future trends in the growth of and needs of our fellowship. At the appropriate times the oversight committee will make business recommendations to the board to consider. If they are approved they can be conveyed to the management through the current channel.

One area of interest is exploring the best way to set up an international business presence to facilitate the distribution of all our products internationally. This includes all of our products, not just the printed material. The committee will look at how ACA members in Australia, South America, Africa or Europe obtain medallions, newcomer coins, etc. more economically and with easier access. This will help facilitate the growth of the fellowship on the different continents as well as help us establish stronger connections with the ACA community around the world.

Another area for the DCOC committee to explore is assisting with bringing new technology and products to the board to review. Now that more time can be spent on oversight rather than management, we can look outward to the fellowship to evaluate the future needs the members have for the service office.

The oversight committee will continue to engage people with business experience as well as innovative thinkers with a world view. We will also continue to look at our office and whether it will be outgrown anytime in the next 5 or 10 years and if so work to develop a contingency plan.