

FINANCE COMMITTEE REPORT – FEBRUARY 2022

During the month of February, the members of the Finance Committee met three times and worked on the following projects and tasks:

1. The Committee was joined by O&S to review the financials for January. The financials were accepted by the committee and the treasurer posted them to the [acawso.org website](http://acawso.org) along with a written Treasurer's Report. – **Completed.**
2. The Finance Committee worked on the 2022 Budget for WSO. This process commenced several months ago with Committees submitting their Budget needs. This information has been incorporated in the overall WSO Budget, which includes revenue projections on literature sales, 7th Tradition, as well as increasing expenses and financial commitments. This year, added to the budget process is a section on Capital Expenses. The budget was presented to the Board and approved on a preliminary basis. However still pending are Budgeted Revenue amounts that may or may not include the adoption of Price Increases on book sales. – **In Process.**
3. The cost to produce printed literature has increased, as our suppliers are experiencing increased costs of materials and labor. The increase for some publications is as high as 30%. WSO overhead to store and maintain inventory has increased. Publication consulting costs have increased, as well. To offset these increases we would need to increase selling prices on printed literature. The Committee performed several analyses on the effect that increases would have on the financial health of WSO. In addition, with recommendation from the Board, it was decided to invite the fellowship for feedback and recommendations on this issue. The committee is in process of compiling this data – **In Process.**
4. The committee is involved in active discussion regarding our Bill Payment and Approval Procedures, from both audit and efficiency standpoints. We need to review the OPPM for improvement in clarity of the language in the development of better business practices. This would include, but not be limited to, looking at the party or parties involved in the approval, and the threshold amounts. It would also encompass the re-evaluation of the process, so that a General Manager or CEO would have the tools available to make proper expenditures within their authority, as well as implementing software that will streamline the process. – **In Process.**
5. The Finance Committee has been working with the IT chair to update the 7th Tradition page to include a "Planned Giving" option, and a separate page for the International Literature Scholarship Fund. The Finance Committee is looking at improving the overall appearance of the page. The committee is talking about how we communicate with potential planned giving donors and maintain information in a data base. –**In Process.**
6. As WSO has grown, there is a need to upgrade our current General Ledger system, as well as implement an Inventory Management system. The Finance Committee, together with the IT Chair and our outside CPA firm, is researching and vetting various viable software options. Committee members are engaged in additional meetings to review software demos and continue to discuss and evaluate what would work for WSO's needs now, and long term. –**In Process.**
7. The Finance Committee is evaluating WSO's compliance with VAT regulations for our overseas sales. Currently we are reporting and paying VAT on our Amazon sales through a tax firm assigned by Amazon. We are looking into a means of including our Shopify sales into the Amazon reporting process. We are discussing some options with our outside CPA firm. –**In Process.**

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8. The Finance Committee met with O&S to discuss new GAAP lease requirements, which requires that companies show leased assets and liabilities on the balance sheet. It is a complex calculation that O&S will perform. The basis of these calculations starts with the Accounting Elections Memo, for consistency in our treatment of some transactions. The committee reviewed the options and chose the “expedient options” as our documented procedures. –**Completed.**
9. The Committee adopted a motion for the General Manager to be a voting member of the Finance Committee. – **Completed.**
10. **Other business to be added to Finance Committee agenda and projects, as priorities unfold:**
 - Treasurer Transition. Board members and the GM are working on changing signors and rights in the banking function.
 - Tax Advisory Firm. Assistance with tax matters for international transactions and business structure. We need 3 quotes to bring to the Board.
 - Prudent Reserve Policy. A Prudent Reserve Policy is in process. The committee has looked at comparative information used by other fellowships and not-for-profit organizations and is discussing what is reasonable and appropriated for WSO. The committee is in process of determining what is reasonable and appropriate for WSO by looking at the 2022 Budgeted expenditures and cash requirements. Other considerations include developing policies for implementation.
 - Accounting Manual. Evaluate, update, and compile, as necessary. Special attention is being made to the payment approval processes, as bill.com is in process of implementation. An item not previously addressed, would be a narrative regarding written procedures for processing orders that are paid by members mailing in cash or checks.

Anyone with finance, bookkeeping, or an interest in learning more about the Finance Committee is welcome to contact me about joining. You do not have to be a CPA or even accounting professional to participate. Please email me at treasurer@adultchildren.org or send a message on Slack.

In service,

Fredrik H., Sweden - Chair
Lucia S., FL - Vice Chair
Bill D., CA – General Manager
Brad H., OK – Member at large