ACA WSO Annual Finance Committee Report - 2024

Committee
Name of Committee: FINANCE COMMITTEE
Type of Committee (standing, ad hoc, other): Standing

Inception Date	Sunset Date
2015	n/a

Statement or Description of Purpose

The mission of the Finance Committee is to examine the financial affairs of the WSO on an ongoing basis to ensure transparency and integrity of all financial aspects of the organization. In doing so, all financial processes are reviewed, and recommendations are made to the WSO Board for improvements to the fiscal policies and procedures, as well as ensure adherence to state, federal, and international laws. All tasks are done with the primary purpose of keeping the fellowship financially stable and healthy so that the message continues to be carried to ACAs throughout the world.

Chair / Vice Chair (First Name, Last Initial; State or Country)

Chair: Tamara P. (SC)   Vice Chair: Sylvia M. (CA)

Members (First Name, Last Initial; State or Country)

Bill D. (CA)   Brad L. (NJ)

WSO Website - Repository URL of Meeting Minutes / Reports

https://acawso.org/category/finance/

Committee Contact information

Tamara P.: treasurer@adultchildren.org
WSO Slack Channel: wso_finance
Weekly Meeting: Thursday at 2:30 p.m. Eastern Time [6:30 p.m. UTC]
Zoom: https://us02web.zoom.us/j/82385200974

List of Committee Accomplishments in 2024

1. Monthly Review of Financial Statements
2. Fishbowl Inventory Management Implementation
3. Donor Management Software Implementation
4. 2025 Proposed Budget Review
5. Literature Price Increase Consideration
6. Review of $100 Minimum Order Threshold
7. Fiscal Policy Updates in the OPPM
8. New Trifold Proposals
9. Shopify Sales Tax Review
10. Financing Options
11. Provide Clearer Guidance on Committee and Sub-Committees Budgets and Reimbursements
12. Backup Rates for Shopify
13. Revised Succinct 7th Tradition Statement for Meetings

14. Counterfeit BRB Lawsuit Updates
15. Middle East Marketplace
16. VAT and Global Tax Planning
17. Review Marketing & Communication Proposal
18. Meeting Plugin Issue
19. Non-Profit Discounts from 30% to 20%
20. Increase Annual Dollar Limit for Individual Contributions from $7,500 to $50,000
21. Remove the Dollar Limit Cap on Bequest Types of Contributions
22. Update on Suggested Contributions from $2 to $3
23. Appeal for Recurring Contributions
24. Discussion of A New Hope
25. Registering WSO as Business Entities in Europe and Latin America
26. Per Diem Policy
27. Audit Review for the year 2023
28. Renewal Prudent Reserve CD
29. GoCardless Program
30. Fiscal Policies for OPPM Suggested Revisions
31. Launch of 2024 Audit
32. Renewal of Prudent Reserve CD
33. Committee Member Resignation
34. Bill.com Improvements
35. Employer of Record
36. Plan to Fund Prudent Reserve
37. Plan to create walk in process for purchases of books at the HQ
38. 7th Tradition Campaign
39. Audit Recommendations Follow-Up
40. North Carolina Sales Tax Compliance
41. Asset Allocation Policy Development

Detailed Descriptions of Accomplishments in 2024

1. **Monthly Review of Financial Statements**
   Throughout 2024, the Finance Committee collaborated with the accounting team to review and approve each month's financial statements before posting them on the WSO website. Each monthly financial package included a balance sheet, profit and loss statement, budget comparison, a detailed list of all 7th Tradition contributions, and a written Treasurer's report.

2. **Fishbowl Inventory Management Implementation**
   The Committee reviewed and discussed the implementation of the Fishbowl Inventory Management system. It was successfully implemented to enhance inventory tracking and improve reporting accuracy. During the transition period, dashboards were optimized, and periodic spot checks were conducted to verify system integrity. A dual-tracking system was

temporarily maintained to ensure a smooth transition. Full implementation was completed in January 2025.

3. **Donor Management Software Implementation**
   The Committee explored integrated solutions for donor management. Boomerang emerged as a viable option; however, due to customization constraints, a dual-platform approach was adopted: GiveWP for the front end and a separate backend for international processing. Implementation was completed in January 2025.

4. **2025 Proposed Budget Review**
   The Committee reviewed and recommended the 2025 budget, which included projected revenue increases of 3% for Shopify, 2% for Amazon, and 3% for digital products, alongside the launch of new audiobooks. Expenses were projected to rise by 24%, reflecting inflation and expanded operational costs.

5. **Literature Price Increase Consideration**
   Following a detailed inflation-based pricing analysis, the Finance Committee identified an estimated cost increase of approximately $3.00 for workbooks and $2.00 for the Red Book. In alignment with our commitment to maintaining financial sustainability while continuing to provide high-quality literature, the Committee unanimously approved a price adjustment for the upcoming fiscal year.

6. **Review of $100 Minimum Order Threshold**
   The Finance Committee reviewed the longstanding $100 minimum order threshold required to qualify for intergroup discounts. Based on a comprehensive analysis of ordering patterns and logistical efficiencies, the Committee reaffirmed that the current threshold remains appropriate.

7. **Fiscal Policy Updates in the OPPM**
   The Committee addressed outdated fiscal references in the Organizational Policies and Procedures Manual (OPPM). Updates included clarification on capitalizing cumulative expenses and incorporating Operations and Board budgets into the manual.

8. **New Trifold Proposals**
   The Finance Committee completed a redesign of the "*Where Does the Money Go*?" flyer, expanding it into a comprehensive and engaging trifold format. To further enhance outreach and communication clarity, additional trifolds—including "Conducting a Business Meeting" and "Issues With Meetings"—were identified for future redesign. These initiatives aim to strengthen transparency and engagement across the fellowship.

9. **Shopify Sales Tax Review**
   In response to a significant fee increase in Shopify's tax calculation service—from $100 to $300 per month—the Finance Committee began evaluating alternative solutions. TaxJar was identified as a potential cost-effective replacement to ensure continued compliance with sales tax requirements while optimizing operational expenses.

10. **Financing Options**
    The Finance Committee continued its evaluation of alternative investment options to maximize returns on the Prudent Reserve while managing risk within appropriate guidelines. Currently, $100,000 is held in a Certificate of Deposit (CD) earning 3.5%, maturing in January, and $60,000 is held in a Chase savings account with an interest rate of 0.02%. A nonprofit-focused mutual fund—featuring lower expense ratios and experienced management—was presented as a potential option. Although not FDIC-insured, such funds may offer enhanced yield potential. The Committee agreed to continue evaluating multiple options to ensure prudent, mission-aligned financial stewardship.

11. **Guidance on Committee and Sub-Committee Budgets**
    The Finance Committee discussed efforts to provide clearer guidance and standardize procedures for committee and subcommittee budgeting and reimbursements.

12. **Backup Rates for Shopify**
    Due to recurring connectivity issues between ShipStation and shipping providers during service outages, the Finance Committee approved a contingency plan for the IT Manager to implement flat-rate shipping as a backup. This proactive solution is intended to maintain uninterrupted checkout and shipping functionality, ensuring a seamless experience for members during third-party service disruptions.

13. **Revised 7th Tradition Script**
    Members of the fellowship shared that the current 7th Tradition script feels a bit too long and isn’t always being used during meetings. In the spirit of making it easier for groups to share this important message, the Finance Committee is working on a shorter, more welcoming version of the script. The goal is to keep the heart of the message intact—honoring our tradition of self-support—while making it simpler and more comfortable for trusted servants to read aloud during meetings.

14. **Counterfeit BRB Lawsuit Updates**
    The General Manager provided an update on the ongoing legal matter involving counterfeit sales of the Big Red Book (BRB). Compensation and profit amounts from these unauthorized sales have been identified and are currently held in escrow pending legal resolution. The counterfeiting operation involved the use of a newly registered ISBN, which has added complexity to tracking and enforcement. The organization continues to evaluate the broader financial impact, including legal expenses, staff time, and revenue loss, as part of its ongoing review and response efforts.

15. **Middle East Marketplace**
    The General Manager has initiated the registration process for Amazon marketplaces in Egypt, with similar requirements expected for Saudi Arabia and the United Arab Emirates. Each of these marketplaces operates under its own regulatory framework, requiring careful, country-specific compliance. The Finance Committee was informed that the upcoming release of *The Laundry List* workbook is being actively coordinated to align with these international requirements, supporting ACA's continued growth and accessibility in new regions.

16. **Gift Card Program Development**
    The Committee approved moving forward with the development of a gift card program to provide members with a flexible and accessible option for literature purchases. This initiative is designed to support fellowship members in gifting recovery resources to others, including newcomers, or groups in need. Gift cards will also help simplify financial transactions for those who may prefer prepaid options or wish to contribute anonymously. In addition to broadening outreach, the program is expected to encourage increased access to ACA literature and reinforce member engagement in service and self-support.

17. **VAT and Global Tax Planning**
    Following Amazon's withdrawal from VAT filing services for the European Union and the United Kingdom, the General Manager reviewed proposals from new service providers. A vendor recommended by BPM offered a comprehensive plan at €6,000 per year to manage VAT compliance, investigate past deregistration in three countries, and complete all necessary filings. After evaluating responsiveness and service quality, the Committee chose not to proceed with TB Accountants, who submitted a competing proposal at €7,000, due to concerns regarding their reliability and prior communication challenges.
    The Finance Committee voted unanimously to move forward with the BPM-recommended vendor to ensure timely and accurate VAT compliance.

18. **Review of Marketing & Communication Proposal**
    The Committee evaluated a proposal for a communications audit designed to assess WSO's current communication tools, platforms, and practices. The objective is to identify opportunities to improve clarity, consistency, and outreach effectiveness across the fellowship. Anticipated benefits include improved focus, technical enhancements, and clear, actionable recommendations.
    After careful review, the Finance Committee voted unanimously to move forward with the audit, recognizing its potential to strengthen WSO's overall communication strategy. This initiative is expected to enhance the way members receive important updates, access resources, and stay connected with the broader ACA community—ultimately supporting greater engagement, transparency, and service to the fellowship

19. **Meeting Plugin Issue**
    The IT Manager reported ongoing functionality issues with the meeting plugin, which have continued despite previous efforts by external developers. A new developer, familiar with the codebase, has been identified to address the problem. The IT Manager will review current budget allocations to determine funding availability for the necessary work. The Finance Committee unanimously agreed that resolving this issue is a high priority, recognizing its importance to member access and the continuity of ACA's online meeting services**.**

20. **Non-Profit Discount Reduction**
    The Finance Committee unanimously approved a policy adjustment to formalize the reduction of the literature discount for new nonprofit customers from 30% to 20%. This change reflects a more equitable distribution of resources based on observed purchasing patterns and financial capacity. Sixteen nonprofit organizations that previously received the 30% discount under the original 2022 motion will retain their rate under a grandfathering provision. The discount policy for Intergroups and Regions remains unchanged.

21. **Increase Annual Contribution Limit**
The Finance Committee discussed the need to better reflect current economic conditions and support the evolving needs of the fellowship. The previous limit of $7,500 was recognized as insufficient in today's economic environment. In comparison, Al-Anon permits annual individual contributions up to 1% of its general fund revenue from the prior year—equating to approximately $60,000 based on 2022 figures. This context provided a helpful benchmark in evaluating ACA's own policy   As a result of this discussion, the Committee unanimously approved an increase in the individual annual contribution limit from $7,500 to $50,000. This change aligns with the practices of similar 12-Step organizations and offers greater flexibility for members who wish to generously support WSO's mission. The adjustment is intended to strengthen ACA's ability to continue providing vital services and literature to the global ACA community.

22. **Remove Bequest Cap**
The Finance Committee unanimously approved the removal of the cap on bequest contributions. As bequests come from deceased members, they do not present concerns related to influence over WSO operations. This thoughtful change brings WSO's policy into alignment with the practices of several peer 12-Step organizations and allows the fellowship to receive legacy gifts that can meaningfully support its long-term service work.

23. **Suggested 7th Tradition Contribution Increase**
The Finance Committee unanimously voted to increase the suggested 7th Tradition contribution amount from $2 to $3. This is the first adjustment since 2006 and acknowledges that the contribution level has not kept pace with inflation for nearly two decades. The increase is intended to better support the rising costs of literature, services, and WSO's operations in serving the global ACA fellowship.
The Committee noted that this change will require a gradual rollout, as the current suggested amount is printed in many of ACA's books and literature. Updates will be made over time as materials are revised and reprinted. This adjustment reaffirms the principle of self-support and helps ensure the sustainability of ACA's vital services.

24. **Appeal for Recurring Contributions**
The Finance Committee began discussions on communication strategies to encourage recurring contributions from members. Recognizing the importance of consistent financial support, the Committee is exploring outreach approaches that invite members to contribute regularly as a way to help stabilize WSO's revenue and sustain its service to the fellowship. Recurring contributions not only support the long-term financial health of ACA but also offer benefits to members—providing a simple, flexible way to participate in the 7th Tradition and remain connected to the spirit of service. Members can choose a giving level that aligns with their circumstances, and their ongoing support helps ensure that literature, meeting resources, and outreach efforts remain available to those seeking recovery.

25. **Discussion of *A New Hope***
The Finance Committee discussed the planned launch of *A New Hope*, a new piece of ACA literature scheduled for release in the upcoming fiscal year. The conversation included setting an appropriate price point that balances accessibility for members with recovery of

production costs. The Committee also explored preorder strategies to build awareness and generate early interest, ensuring members have the opportunity to secure the book ahead of the official launch.

26. International Entity Registration

The Finance Committee reviewed the potential benefits and challenges of registering WSO as a legal business entity in Europe and Latin America. The primary objective is to enhance operational efficiency and accessibility for international transactions, including literature distribution and tax compliance. The Committee emphasized the importance of weighing administrative costs and tax implications against the long-term advantages of improved global service and presence.

27. Per Diem Policy

The Finance Committee conducted a review of the per diem reimbursement policy with the goal of expanding it to include international travel. This update is intended to provide clearer, standardized guidance for members representing WSO abroad. Discussions are taking place to incorporate these changes into the Organizational Policies and Procedures Manual (OPPM) to ensure consistency and transparency in expense practices.

28. Audit Review for the year 2023

The Finance Committee reviewed the final reports and documentation associated with the 2023 audit. The discussion included examination of the auditor's findings, confirmation of compliance with nonprofit accounting standards, and verification of key financial statements, including the balance sheet and income statement. The Committee also discussed timelines, auditor communications, and any noted recommendations or adjustments. Follow-up actions are being considered where applicable to strengthen internal controls and reporting accuracy.

29. Renewal of Prudent Reserve CD

The $105,000 CD maturing in January 2024 was renewed following unanimous approval by the Committee.

30. GoCardless Program

The Finance Committee explored the GoCardless program as a potential solution to simplify international payments and ACH transfers for WSO. After reviewing the platform's features and application criteria, it was determined that WSO does not meet the program's eligibility requirements. The IT Manager will continue to explore alternative platforms and technologies to support international financial accessibility and ease of use for members and groups outside the U.S.

31. Fiscal Policies for OPPM Suggested Revisions

The Committee proposed the following updates to the OPPM fiscal policies:
Raise individual member contribution limit from $7,500 to $50,000.
Remove the bequest contribution cap.
Clarify expenditure approvals and signatory roles.
Improve reimbursement guidelines.
Enhance requirements for financial recordkeeping.
Align Committee, Operations, and Board Budgets under one framework.

Capitalize cumulative fixed asset expenses.
Strengthen and expand fiscal policy content to reflect current practices.

32. Launch of 2024 Audit
The Finance Committee initiated preparations for the 2024 audit cycle. Discussions included confirming timelines, identifying necessary documentation, and coordinating communication with the external auditor. The Committee will work closely with staff and the auditor to ensure a smooth and timely process. Preliminary steps are underway to gather year-end financials, review internal controls, and schedule interviews with key personnel as needed**.**

33. Renewal Prudent Reserve CD
The Finance Committee discussed options for the prudent reserve certificate of deposit (CD), which had a value of $105,000 and matured in January 2024. After reviewing alternatives and considering the organization's financial stability goals, the Committee unanimously voted to renew the CD. This decision reflects the continued commitment to maintaining a conservative and responsible investment approach for the organization's reserve funds.

34. Committee Member Resignation
The Finance Committee received formal notice of resignation from one of its members. The Committee expressed appreciation for the members' service and contributions. In light of this departure, the Committee is actively seeking new members to join and support its ongoing financial oversight and planning responsibilities. Efforts are underway to identify individuals with relevant experience and a commitment to the mission of the organization.

35. Bill.com Improvements
The Committee discussed opportunities to refine the current approval process and spending limits to better support operational efficiency and strengthen internal controls. This included evaluating the functionality and coordination of Bill.com with BPM, the organizations outside accountants. Key areas of focus were streamlining the approval workflow within Bill.com, clarifying authorization thresholds, and ensuring seamless coordination between internal staff and BPM for timely and accurate processing. The goal is to create a more transparent and responsive system that upholds accountability while reducing the administrative burden. Proposed refinements will be reviewed and, if appropriate, integrated into the organization's financial procedures and policy documents.

36. Employer of Record
The Committee held a discussion on the need of the use of an employer of record (EOR) to facilitate payment for certain WSO special workers located outside of the United States. The EOR model would allow the organization to engage international workers compliantly without the need to establish a local legal entity in each country. Key considerations included legal compliance, tax implications, cost structure, and the administrative burden of international payroll. Further research and consultation with legal and accounting advisors will be conducted before any recommendations are made or actions are taken. The Finance Committee voted unanimously to proceed hiring an EOR.

37. Plan to Fund Prudent Reserve
The Committee voted to fund the prudent reserve with 15% of the 2023 net profits. This decision reflects a strategic approach to maintaining financial stability and ensuring the organization has adequate reserves to meet future needs. The recommendation was formalized in the form of a policy and submitted to the Board for approval. This proactive

measure aligns with the organization's long-term financial planning objectives and commitment to sound fiscal management.

38. Plan to create a walk in process for purchase of books at the HQ

The Committee discussed the development of a walk-in purchase process for books at the WSO headquarters. The proposed plan involves using an iPad and the Shopify Point of Sale (POS) system to facilitate on-site transactions. This solution aims to provide a streamlined, user-friendly method for handling sales directly at the HQ while integrating with the existing inventory and sales tracking systems. Additional considerations include securing the equipment, training staff or volunteers, and ensuring proper accounting for these transactions within the organization’s financial systems. Further implementation planning is underway.

39. 7th Tradition Campaign

The Committee discussed various potential campaigns to encourage increased 7th Tradition contributions. Ideas focused on enhancing awareness of the importance of member support in sustaining the organization's services and operations. Strategies included targeted messaging through newsletters and social media, developing themed campaigns tied to key events or milestones, and creating educational materials that explain how contributions are used. The Committee emphasized the need for clear communication, consistent outreach, and alignment with the organization’s values to foster greater engagement and participation in voluntary giving.

40. Audit Recommendations Follow-Up

The Finance Committee reviewed the status of outstanding audit recommendations and assigned responsibilities for follow-up actions. A summary of progress in addressing the auditor’s recommendations was prepared and shared with the Audit Committee. The Committee remains committed to maintaining transparency and improving internal controls in alignment with best practices and auditor guidance.

41. North Carolina Sales Tax Compliance

The General Manager reported to the Finance Committee that North Carolina has revised its sales tax nexus threshold—from 200 transactions per year to $100,000 in gross sales annually. Considering this change, the Committee is currently assessing whether ACA/WSO meets the updated criteria and, if so, whether sales tax filings will be required moving forward. The Finance Committee will continue to monitor the situation as needed to ensure ongoing compliance with state requirements.

42. Asset Allocation Policy Development

The Financial Controller updated the Finance Committee on the progress of a review of historical financial data to better understand how previous cost and asset allocations were calculated. This analysis is a foundational step in the development of a comprehensive asset allocation policy that will guide future financial planning and reporting.

1. Software Upgrades
2. Accounting and Financial Operations Manual
3. VAT Regulation
4. Continuing Audit Support
5. Continued review of Financing Options

Detailed descriptions of Work-in-Process

1. **Software Upgrades and Digital Improvements**

   The Finance Committee is committed to working closely with the IT Manager to improve ACA WSO's digital tools and ensure they meet the needs of the fellowship. Key systems like Fishbowl (inventory) and QuickBooks (accounting) are in place, and donor management software has been implemented to support 7th Tradition contributions and reporting. The IT manager has given updates on the WSO website to make it more user-friendly, with easier navigation for donations, literature orders, and lookup meeting information.

2. **VAT Regulation**

   The Finance Committee is review and is continuing reviewing international Value Added Tax (VAT) requirements to ensure ACA WSO complies with tax regulations related to literature sales and digital products in countries outside the U.S. as we expand to new countries. This is especially relevant for Europe, where VAT rules may apply based on the location of the customer and the type of product sold.

3. **Continuing Audit Support**

   The Finance Committee is continuing to support ACA WSO's independent audit process by collaborating closely with the auditors and staff to provide timely information, clarify procedures, and respond to questions. Our role is to ensure that financial records and practices are well-documented, transparent, and aligned with nonprofit standards.

   We are also reviewing recommendations from past audits to identify areas for improvement and help strengthen internal controls going forward.

4. **Continued Review of Financing Options**

   The Finance Committee is continuing to explore responsible ways to support ACA WSO's long-term financial sustainability. This includes reviewing options such as building operating reserves, setting contribution goals, exploring restricted-use funds, and evaluating other tools that can support growth while maintaining fiscal integrity.

Goals For the Year Ahead

1. **Establish Finance Committee Norms**
   The Finance Committee is developing a set of internal norms to guide how the committee operates. These norms will outline expectations around participation, communication, confidentiality, and how decisions are made. The goal is to promote consistency, transparency, and effective collaboration among trusted servants.

2. **Complete and publish the Accounting and Financial Operations Manual.**
   Finalize the accounting manual which will include process and procedures, with the Committee reviewing and approving sections presented by the Financial Controller. The manual will be maintained as a living document.

3. **Fully develop the donor management platform's functionality.**
   Expand the use of donor software to streamline contribution tracking, support recurring giving, and improve acknowledgment accuracy.

4. **Overhaul finance-related free literature.**
   Review and update free ACA finance materials to reflect current practices and improve clarity for groups and members.

5. **Investigate higher-yield financial instruments for ACA WSO's prudent reserve.**
   Explore safe, low-risk investment options to help responsibly grow the organization's reserve funds.

6. **Automate reporting on key financial indicators.**
   Develop systems to automatically track and report financial metrics such as contributions, expenses by category, and program-level financial data.

7. **Conduct a mid-year budget analysis.**
   Evaluate year-to-date financial performance and adjust projections or allocations as needed to stay aligned with budget goals.