

**WORLD SERVICE OFFICE  
BOARD OF DIRECTORS REPORT  
FOR CONFERENCE CALL MEETING**

**DECEMBER 21, 1991**

**BOOK 1**

**THIS BOOK CONTAINS:**

**October BOD Minutes  
September and October Financial Report  
World Service Conference Budget Committee Report  
Financial Management Policy  
UKSO Report  
Fellowship Communication  
Special Event Insurance Proposal  
Bequest Communication**

**A G E N D A**  
**BOARD OF DIRECTORS' CONFERENCE CALL MEETING**  
**Saturday, December 21, 1991**  
**9:00 A.M. to 12:00 P.M. PDT**

**ROLL CALL**  
**ACCEPTANCE OF PROXIES**  
**OCTOBER BOD MINUTES (1-3)**  
**AGENDA APPROVAL**

**FINANCIAL**  
    **September Financial Report (1-15)**  
    **October Financial Report (1-27)**  
    **November General Financial Summary**

**CHAIRPERSON'S REPORT**  
    **Departmental Expense Distribution Report**  
    **BOT/BOD/WSC Chairperson's Planning Meeting Report**  
    **WSC Budget Committee Plan (1-38)**  
    **Financial Management Policy (1-44)**

**PERSONNEL**  
    **Employee Termination**  
    **Administrative Division Manager Recruitment**  
    **Health Benefits Review**  
    **Personnel Policy Manual Revisions**

**LEGAL**  
    **Tax Status Options Update**  
    **Bylaw Filing With IRS Update**

**TRUSTEE INTERNAL COMMITTEE REPORT**  
**FINANCIAL AD HOC COMMITTEE REPORT**  
**BUSINESS PLAN REPORT**  
**NEWSLINE REPORT**  
**EXECUTIVE DIRECTOR REPORT**  
    **Special Event Insurance Proposal (1-72)**  
    **Telephone/Copier Monitoring Equipment**

**FELLOWSHIP SERVICES DIVISION REPORT**  
    **Projects Status**  
    **ESO Report (1-50)**

**ADMINISTRATION AND SUPPORT SERVICES DIVISION REPORT**  
    **Production Updates**  
        **Spanish and Portuguese Basic Texts**  
        **Introductory Guide**  
        **Medallions**  
        **Basic Mugs**  
        **Speaker Tapes**  
        **Spanish Translation of Poster Set**  
        **Pens**

**CSO REPORT**  
**AGENDA REVIEW FOR JANUARY MEETING (1-2)**

**A G E N D A**  
**BOARD OF DIRECTORS' MEETING**  
**January 11 - 8:00 A.M. - 8:00 P.M.**  
**January 12 - 8:00 A.M. - 11:00 A.M.**

**CALL TO ORDER**

**ACCEPTANCE OF PROXIES**

**DECEMBER BOD MINUTES**

**AGENDA APPROVAL**

**FINANCIAL REPORT**

**November Financial Report**

**PERSONNEL**

**Employee Training Plan Review**

**PRICING DETERMINATION**

**WCC REPORT**

**SALES POLICY DEVELOPMENT**

**BUDGET DEVELOPMENT**

Q:\exec\bod\deconcl.doc

**MINUTES OF THE WORLD SERVICE OFFICE  
BOARD OF DIRECTORS' MEETING  
October 25, 1991**

Those present were: Bob McD., Bob MacF., Oliver S., Tim B., Walter J., Martin C., Bill W., Mary Kay B. It was also noted that Randy gave his proxy to Mary Kay, Chris gave his proxy to Randy, and Bill W. gave his proxy to Randy.

The Vice Chairperson, Mary Kay B., called the meeting to order at 9:15 A.M. on Friday, October 25, 1991, with the Serenity Prayer and asked if there were any additions or corrections to the August minutes as mailed. It was noted that on Page 123 next to the last paragraph, the motion to continue to develop individual member oriented merchandise brochure was seconded by Walter J. rather than Oliver S. as listed in the minutes. It was also suggested on Page 124 that it be noted that the proposed bylaw amendments are attached as part of this legal record. With those additions and corrections, it was M/S/C (Walter J./Bob MacF.) "that we accept the minutes as corrected." The vote: Yes-Unanimous.

The board then reviewed the minutes of the executive committee conference call in September. After brief discussion, these minutes were accepted by consensus. Martin C. also noted that more advance notice in scheduling conference calls would be appreciated and would allow him and also the other board members greater opportunity to participate. Martin further noted that Sunday evening would be a time that he would be available for conference calls that would not conflict with his work schedule. The board then considered the agenda as presented. It was the consensus of the board members that the agenda outlined in Book 3 would be appropriate to use as a guide if the order could be rearranged to accomodate staff and board members attendance at other meetings during the course of the weekend. There being no objections, the agenda was approved.

Mary Kay then gave the financial support ad-hoc committee report noting that recruitment efforts have resulted in the enrollment of Arizona and Greater Philadelphia Region in the Basic Catalog marketing test. While other regions were contacted, they had expressed a preference not to be involved due to the potential competitive impact this program may have on their existing regional sales. Despite the fact we had attempted to reduce the competitive impact of the Basic Catalog approach by stating that materials can be ordered from local sources, most regions contacted were not receptive. It was noted that major efforts to reduce competitive impact would mean the Basic Catalog becomes more of a wholesale promotion rather than a direct retailing effort. After further discussion, it was the consensus of the board to expand the Basic Catalog marketing test to include the three highest potential fellowship markets not served by a regional service office. There being no opposition expressed by any board member, the staff was instructed to expand the Basic Catalog marketing test area as previously indicated.

Mary Kay also noted that the anticipated proposal for the WSO or the WCC to act as a merchandise broker has not yet been received by the office. While interest in reviewing and evaluating such a proposal remains strong, such evaluation cannot start until the

detailed proposal has been received and distributed. No action could be taken on this agenda item at this time.

Mary Kay then presented the concept of a fellowship wide merchandise catalog coordinated and published by the WSO. This concept would allow each region to present regionally developed merchandise in a catalog to be distributed to the entire fellowship. While positive benefits were identified, it was the consensus of the board that such activity would not justify the investment of staff time and financial resources necessary to complete the project. With this consensus expressed by the board, the WSO staff will not pursue this matter further at this time. Bob McDonough arrived at this time and assumed his role of chairing the meeting. The board of directors was then asked to identify any other appropriate financial support activities and after a general discussion, Anthony proposed a staff recommendation that the board consider a Bi-plated medallion consisting of nickle and gold since the chemical interaction between silver and gold would create a tarnished surface. Anthony further recommended that this Bi-plated medallion replace our current silver medallion as the accepted upscale medallion offered by WSO. Research on this bi-plated medallion was still underway; thus, *Anthony indicated a detailed recommendation would be presented at the board meeting in January.*

Anthony also distributed samples of a basic pen which incorporated a rotating barrel containing multiple recovery phrases. The sample pen distributed was light blue in color. It was noted that a dark navy pen presents a formal appearance and thus may be of greater value to potential customers. After a brief discussion, it was a M/S/C (Walter J./Oliver S. *"that we accept the basic pen concept for inclusion in our merchandise inventory with a final price to be established at an upcoming board meeting when sufficient research had been completed to determine exact production costs."* The vote-Yes unanimous.

George raised concern about a continued trend of the board to add additional low profit margin items to WSO's inventory. George further noted that processing, manufacturing, wholesaling, warehousing and distribution costs for an item as inexpensive as an ink pen may negate any potential profit received from that product. Board was then asked if there were any additional items of merchandise or financial support activities that should be discussed by the board at this time. It was M/S/C (Walter J./Bob MacF.) *"that the poster set of steps, traditions and serenity prayer be translated into Spanish.* The vote-Yes unanimous.

Anthony also noted that research was ongoing regarding large, cotton steps and traditions banners. Anthony noted that to date the least expensive way of obtaining these banners is to produce them in Australia with fabric available in Australia and ship them in bulk to US for distribution at an estimated cost of \$25.00 per set. Anthony further noted that production in the US would be substantially more expensive due to available fabric options. *Anthony stated that a detailed proposal on these banners would be forthcoming at the January board meeting.*

Anthony was then asked to comment on the financial report provided to board members. After distributing an amended cash flow statement, Anthony noted that the accounts receivable for July and August had increased and that vendor credit flexibility was continuing to be more difficult to obtain. Anthony also noted that a chart of accounts will

be revised to give additional detail of specific product sales and that the board of directors will be provided with a quarterly sales analysis report. Increased orders in the fourth quarter of the year may be better than previously anticipated, but no detailed information is available at this time.

A work in progress report was then given on the departmental expense distribution. It was a consensus of the board of directors that this would be an extremely valuable piece of information to address a variety of questions in regards to WSO financial operations. It was noted that Bob McD. is currently reviewing and revising the document to assure a high degree of accuracy and acceptability of the information by the fellowship. It was also noted that the departmental expense distribution report would be expanded to include income information as well. *A revised copy will be available for consideration at the next board meeting.*

The executive director was then asked to report on the financial impact of changing our payroll distribution system from every week to every other week. Joe noted that since our payroll account is a non-interest bearing account, no additional interest income would be generated from this pay system change. Calculating payroll every other week rather than every week would streamline staff involvement at an estimated reduction of staff time from a current eight hours per week to approximately six hours per week. Joe also noted that such a change would create a financial burden for employees. Based on that anticipated financial burden, the executive director recommended that the board of directors not make any changes in the payroll administration. It was the judgment of the executive director that the additional burden placed on WSO's staff would far exceed the savings of two hours payroll processing for the single employee involved. There being no opposition to the position presented, there was a consensus of the board to not recommend any change at this time.

The executive director then reported that WSO had just completed a correspondence audit by the California registry of charitable trusts. He reported that this was a routine audit and was not based on any perceived problems and that WSO had successfully completed the audit with no recommended changes in procedure to be made by the California registry of charitable trusts.

The board then considered a letter from Robert Kassem answering previous questions in reference to the establishment of a trust fund for the support of the World Service Conference. The board noted that this matter had been referred to the board of trustees and, thus, the board of directors took no further action at this time.

Staff then presented a proposal for telecommunications system changes, as noted in the telecommunications cooperative network proposal starting on page 33, Book 2. Staff noted that additional proposals in the area of telecommunications may be forthcoming in the near future but the benefits of affiliation with telecommunications cooperative network appeared to staff to justify acceptance of their proposal. Based on recommendation of acceptance by the executive director, it was M/S/C (Bob MacF/Oliver S.) "that we accept the proposal as presented in Book 2." The vote-yes-unanimous.

Bob McDonough then gave the chairperson's report beginning with a report from the fellowship's services evaluation team. Bob reported that a job description for the executive director had been developed and that the development of protocol for appropriate communication with the office was an element that needed further development and that it was the consensus of the committee that development of such protocol would surpass the instructions given to that committee. Based on that consensus, Bob noted that the committee had agreed that it would be appropriate to recommend the disbanding of the committee to the joint meeting of the board of directors and board of trustees based on completing their assigned task. There being no objections from the board, Bob stated that he would be proposing such a recommendation to the upcoming joint meeting. Bob further noted that he would be making a report to the joint meeting on the topic of budget review and utilization as noted in Book 1, page 32, if the presented information met with the board's approval. There were no objections.

Bob then reported that interim committee actions were listed in Book 1, page 38, and would be available for board of directors review and questions. There being no questions, Bob moved to the next item on the agenda which was correspondence from a G.S.R. in Columbiana, Ohio extending an invitation to attend a workshop sponsored by that group. Bob's response to the invitation and the communication is included in Book 2, page 64.

The board then reviewed RSR communication from the Chesapeake Potomac Region. It was noted that this RSR report could serve as an example of potential problems created by miscommunication or communication of inaccurate information by RSR's. Page 50 in Book 3 also contained communication further demonstrating misunderstanding of WSO operations.

Bob then asked the board to then turn their attention to page 20, Book 3 to review a request from a Portland, Oregon group to obtain permission to establish a speaker tape lending library. After brief discussion it was the consensus of the board that it would not be appropriate to authorize duplication and sale of speaker tapes. It was appropriate to continue the current policy of permitting the establishment of a speaker tape library at the local level.

The chairperson then continued his report by giving the report of the personnel committee. The first item for consideration was review of the salary and hiring freeze currently in effect. Initial discussion centered on whether a freeze was ever actually formally implemented by the board of directors. Evidence was presented from previous minutes that a freeze had never formally been adopted by the board of directors. After further discussion, it was M/S/ (Bob MacF/Tim B. "to eliminate the current restrictions imposed by level 1 emergency." The discussion continued and centered around availability of funds to address salary freeze concerns. The vote on the motion was not taken because of a motion to table made by Martin C. and seconded by Walter J. Later in this meeting after more information had become available, a vote was taken and it was passed immediately. *Bob then noted that he may be presenting recommended changes in our personnel policies based on a detailed review by a labor lawyer volunteering his efforts to review our personnel policies. Such recommendations will be made at a future meeting.*

Other personnel actions reported were recruitment of a clerical assistant for H&I. It was noted that staff was in the final selection phases and that a hiring of an H&I assistant would be possible in the immediate future unless disallowed by board of directors. There was also a discussion about the beginning of a recruitment process of an administrative division manager with an accounting degree to replace the position vacated six months earlier by the resignation of Lois. Since the recruitment of high level professional positions is anticipated to require more lead time than the recruitment of clerical positions, staff requested the endorsement of the board to begin that search process for an administrative division manager position to begin immediately, with potential starting date after January 1, 1992.

Bob McD. had then noted that he had previously authorized the hiring of a part-time administrative position to assist in the areas of filing financial records. This position was filled by a part-time hourly employee working three days a week. It was also noted that due to part-time status, no costs associated with employee benefits were being incurred. Joe then noted that the WSO employee vacation schedule had been listed in Book 3, page 25. It was an information item for the board of directors to assist them in their interaction with WSO employees from now through the end of the year.

Joe also noted an intention to complete a transition process to enable WSO to establish annual salaries for all WSO employees during January to be effective February 1, 1992. Joe also noted that at an upcoming board meeting, he would be providing a proposed employee training plan outlining employee development projects and associated expenses throughout the year of 1992. Joe then noted that in Book 3, page 29, he had provided a calculation used to establish Christmas bonuses for WSO employees for the previous year. After a brief discussion, it was M/S/C Bob MacF./Walter J.) "that WSO will not extend Christmas bonuses to any employees this year." The vote-yes- unanimous.

Bob McD. then noted the business plan development committee and that trustee Bob McK. had identified significant concerns with the current health insurance coverage extended to WSO employees. Since Bob McK.'s information was extensive and may require significant study before action, Bob McD. asked the board to delay consideration of these proposals until they had ample time to review them in detail. There being no objection from the board, this item was postponed to a future board of directors meeting.

Tim then presented a legal report noting that he was not in full agreement with the anticipated results of the second option presented in the letter dated September 16 from our tax attorney, Don Corliss. Tim further noted that his personal evaluation of that option would not substantially compromise any of Narcotics Anonymous Twelve Traditions. Tim further noted that he would making a detailed report of his recommendations to a joint board meeting this weekend. Tim then asked that the board consider action on bylaw changes proposed in the August 10 Book 3 presented to the board of directors at the August 10 board meeting. The first bylaw changes recommended were outlined on Book 3, page 13, from the August 10, 1991 meetings. After brief discussion and explanation, it was M/S/C (Tim B./Bob MacF.) "that we accept the changes noted in numbers 1 and 2 on page 313 of Book 3 from August 10, 1991. The vote-yes unanimous. Tim went on to explain and recommend items three and four on page 313, Book 3, from the August 10, 1991 meeting and it was M/S/C (Tim B./Oliver S.) "to implement those changes." The



vote yes-unanimous. The board of directors then considered the Directors liability insurance proposal outlined on page 75, of Book 2, for the October 25, 1991 meeting.

Tim noted that from a legal perspective, he recommended such insurance coverage as a prudent legal measure to protect both WSO and individual trusted servants. It was M/S/C (Tim B./Bob MacF.) "we obtain this board of directors liability insurance and that the WSO corporation accept liability for the \$5,000 deductible proposed in this insurance coverage." The vote- yes-unanimous.

*Staff was then asked to obtain a more detailed description of the extent of trusted servant coverage and to report that coverage at the next board of directors' meeting.* Tim further noted that he had no recommendation to make in reference to a covenant not to sue at this time pending further bylaw research. Tim then presented the fellowship intellectual property trust document bound separately in a blue cover, dated October 16, 1991. Tim recommended the following corrections be incorporated into this document.

1. On page 20, line 567, the sentence notes that the trustor may add properties to the trust, delete properties from the trust, or revise the content or nature of trust properties by the following means, and then does not go on to list what following means would be appropriate. Tim recommended changing the period at the end of line 568 to a colon to be followed by a description of the means possible to revise the content or nature of trust properties.
2. Tim noted that on page 28, line 765, last phrase, "provided the following conditions are met," should be punctuated with a colon rather than a period.

With those two corrections, Tim noted that he would be recommending the corrected copy of the fellowship intellectual property trust document dated October 16, 1991, to the joint board meeting to be held this weekend.

Tim then noted a letter dated August 12 to Anthony Edmondson from Theresa Wagner Middlebrook in reference to United Kingdom Service mark applications. Tim recommended that no additional action on this item be taken by board of directors as WSO can rely upon common law rights with respect to counseling services in the opinion of our attorney Theresa Wagner Middlebrook. There being no questions from the board of directors, it was a consensus that no additional action be taken on this item.

Walter Johnson then gave the business plan development team report as outlined in Book 1, page 58 through 67. Walter first reviewed the development process noting that it was the committee's desire to obtain comments or additional perspectives as early as possible in the development process to reduce the possibility of major revision in the final development stages. In that regard Walter then reviewed an expanded outline on page 62, of Book 1, showing in detail the direction initially pursued by the business plan development team. Walter then noted a mission statement calling attention to both the summary mission statement listed in Book 1, page 58, as well as the detailed description of the elements of that mission statement detailed on pages 166 and 167. After brief discussion, it was the consensus of the board of directors that the business plan development team was pursuing an appropriate process and had developed an appropriate outline for business plan development. After further discussion, it was the consensus of the board of directors that

the mission statement and accompanying detailed discription adequately reflected the mission of the World Service Office.

The executive director was then asked to give his report. Joe began his report by presenting recommended financial management policy. After substancial discussion, the board recommended the following changes in the policy presented in Book 1, page 69.

1. Paragraph 4, the word "or" in the phrase "the treasurer and/or executive director" should be included. The word "together" in that same sentence should be deleted.
2. The next sentence in paragraph 4, the phrase "on the financial condition of the corporation," should be deleted.
3. Also in that same paragraph, the phrase "the corporation and it's directors" should also be deleted.
4. The last word in paragraph 4, "corporation" be deleted and replaced with the phrase "board of directors." The following sentence would also be added immediately following the first sentence in paragraph 4, "Excessive or unusual expenditures shall be fully explained to the board of directors."
5. Paragraph 6 at the bottom of page 1-69, line 4, the phrase signed by the executive director and other staff," should be changed to "signed by the executive director and/or any other staff or consultants." The phrase "as appropriate" would be deleted from the first paragraph of page 1-70, line 4, the word "their" should be changed to "its" and in line 5, the word "that" should be changed to "which."
6. The second paragraph on page 1-72, the phrase "in the form of a \$250,000 fidelity bond" should be changed to "\$50,000 fidelity bond."
7. The following sentence is to be added to that same paragraph: "The board of directors accepts the full liability for the cost of the deductible in the applicable board of directors liability insurance coverage."
8. In the fourth paragraph on page 72, second line, the word "executor director" should be changed to "executive director."
9. In the fifth paragraph, the word "that" in the phrase "inventory items that exceed \$5,000," will be changed to "inventory items which exceed \$5,000."
10. On page 73, paragraph 2, line 6, the phrase "that impact or change" be deleted and replaced with the phrase "which affect;" also in line 8 that same paragraph, the phrase "that impact," be changed to "which affect."
11. Page 74, the phrase "for equipment that will cost," should be changed to "for equipment which will cost." In that same paragraph the abbreviation "P.O." should be replaced with the words "Purchase Order."
12. In the next paragraph, the letters "P.O." should be replaced with the words "Purchase Order."
13. On page 175, the first paragraph, second line, delete the phrase "within 30 days."
14. The last sentence in that first paragraph, page 175, should read "equipment shall not be removed from or loaned from the office unless approval is granted by the

executive director in accordance with the equipment utilization policy which is attached."

15. The equipment utilization policy should be attached to this Financial Management policy.
16. On page 1-76, item 3 should be changed from "amended September 1991" to "amended October 1991." Due to the extensive number of detailed changes presented in the Financial Management Policy, *a copy of the policy with all these changes incorporated will be provided at the next board of directors meeting.* With the amendments and corrections as noted, it was M/S/C (Walter J./Tim B.) "that the board of directors adopt the Financial Policy as amended." The vote-Yes-Unanimous.

Joe then noted that the owner of the building at 16155 Wyandotte had removed it from "for sale" listing and had offered a two year lease with the option of extending that for three additional one year periods. Joe further noted that unless instructed to otherwise, he intended to sign that lease, thus, eliminating the forced move from that building for at least the next two years.

Joe then noted that we were in the final phases of research on special event insurance coverage for the entire fellowship. Options currently under consideration included both a single payment for coverage of all special events that take place within a region or individual event coverage that can be purchased on a day to day basis based on the size and assigned risk factor of that event. *Detailed recommendation on special event insurance would be presented to the board as soon as obtained from insurance companies and will hopefully be available at the next board of directors meeting.*

Joe then commented on the telephone monitoring equipment proposal outlined on page 77, of Book 1. After a brief discussion, it was the consensus of the board that advice should be sought from telecommunications cooperative network prior to incurring the expense for the telephone monitoring as outlined on page 77. *Joe indicated he would obtain that advice and report back at the next board meeting any information on telephone monitoring.*

The board then considered the standardized writing style format as presented on Page 78 of Book 1. After brief discussion, it was M/S/C (Tim B./Walter J. "we accept this format as the official writing style format to be used by the WSO."

Joe then reported that the WSO had completed the first aid training, as outlined in our personnel policies, resulting in the red cross certification in adult CPR and standard first aid for all supervisory personnel at WSO and any non-supervisory personnel that were willing to volunteer their time to complete the course.

Joe also noted that a computer training program was being designed and would be implemented prior to the next board meeting to improve computer operation skills of all WSO employees who use computers extensively. It was noted that this staff development was being completed with in-house personnel and thus did not involve additional training expense.

Joe then noted that the work plan had been revised to include trustee projects listed in Book 3, page 36 and page 37, and noted that these projects should be integrated into the existing work plan in prioritized order to provide the clearest understanding for both WSO and all involved trusted servants as to the appropriate priority given to each project. It was the unanimous consensus of the board of directors that trustee projects be included in the work plan in prioritized order.

Joe then noted that the smoking policy listed on page 83 of Book 1 was currently in place and offered the board of directors the opportunity to make any recommendations or modifications they felt appropriate to that policy. After substantial discussion, it was the consensus of the board that the policy as stated on page 83 of Book 1 was appropriate.

Joe then noted the change in the water system pointed out on page 84 of book 1 that reduces our expenditure on drinking water from \$450 a month to \$100 a month.

Joe then noted that the credit union service now being provided by WSO had been well received and appreciated by WSO employees.

Joe also noted that he had been asked to provide his perspective on the International Development of Narcotics Anonymous and after reviewing this request with Bob McD., a prepared statement was listed in Book 3, page 45.

The board then revisited financial issues beginning with a discussion of further possible reductions or limitations that would assist in balancing income and expenses. After discussion of the overall impact of further expense reduction, the board began discussion of activities that could immediately generate substantial additional income in the near future. After further discussion, a consensus developed that an increase in the recommended retail price of the Basic Text may be appropriate at this time and it was M/S (Randy J./Tim B.) "that we raise the price of the Basic Text \$1.00 effective January 1, 1992. Discussion continued. Due to the length of the meeting and the importance of this decision, no vote was taken; rather Tim moved to table this motion until Sunday morning and Walter seconded that motion. A vote was taken on the motion to table and it was passed unanimously.

The board then stood in recess until 9:00 A.M., October 26, 1991. Chairperson Bob McDonough called the meeting to order with the Serenity Prayer. Those present were as follows: Bob McD., Randy J., Oliver S., Tim B., Bob MacF., Walter J., Martin C., and Mary Kay B., Chris C., and Bill W. had given their proxy to Randy. In lieu of an oral presentation, Joe asked the board to refer to Book 3, page 48 and 49, for an overview of activities and accomplishments during his first six months as executive director. Joe then dismissed himself from the meeting and the board went into executive session to discuss executive director salary. (Financial recommendations as a result of this executive session are available to all individual board of director members. Since these recommendations include specific salary information, they will not be included as part of the public record of this meeting. As a part of this public record, it should be noted that executive director compensation is still within board accepted range for that position and that the salary range for the executive director position has been set at \$60,000 to \$75,000 per year.)

The ESO report was then given by Lizzie by speaker phone. After a brief summary of ESO's activities, Lizzie noted that her primary challenge at present is the employment of a part-time stock clerk and part-time clerical assistant. She noted that since these skills were substantially different; thus, two part-time employees seemed more appropriate than one full time employee. After substantial discussion, Lizzie noted that she intended to offer the two positions to David and Sean. George then gave a Fellowship Services Division report noting that the translation committee had prepared Danish I.P. #1 and Spanish, Portuguese, and Swedish Steps and Tradition Posters.

George then distributed a sales policy that was based on the input received from trusted servants and highlighted that the central sales policy question was "to whom is the WSO accountable to--the service structure or the fellowship?" Substantial discussion followed noting that the creation of regional service offices was promoted by the World Service Office policies and personnel. The current sales policy does make it possible for local entities to substantially subsidize their service activities through the sale of WSO literature and merchandise. This discussion culminated in the following three actions:

1. Martin made the following motion "a 10% uniform increase on all items in WSO inventory as of October 1, 1991 be proposed for implementing at the January 1992 meeting of the board of directors with a proposed effective date of February 1, 1992." Tim seconded that motion. A vote was taken and it passed unanimously;
2. The board then considered the formal proposal to the WSC that it begin to effectively evaluate the generation of additional income. After further discussion, it was determined that a motion was not necessary since the treasurer of the WSC was present and benefited from the board of directors discussion on that topic.
3. Oliver then made a motion that the pricing structure of existing sales agreements be continued at their current level until November 1, 1992. Martin considered that motion and a voice vote was then called for, but the results of the voice vote were determined by the chair to be unclear due to abstentions or objections and sought further clarification from board members. In lieu of determining an outcome for that vote, Walter moved to table Oliver's motion. Martin seconded the motion to table and it passed unanimously. *This will be considered at the January board meeting.* The board then recessed until Sunday morning.

Chairperson Bob McDonough called this meeting to order with the Serenity Prayer. Those present were as follows: Bob McD., Oliver S., Tim B., Bob MacF., Walter J., Martin C., and Mary Kay B., Chris C., and Bill W. had given their proxy to Randy and Randy had then given his proxy to Mary Kay B. The next agenda item was a presentation by Max C. from U.K. Service Office. Max opened his presentation by noting that communication from the WSO board of directors had been minimal and additional communication would be greatly valued. Max further noted that the extent of service and types of service provided by the U.K.S.O. were substantially different than other regional service offices. Max highlighted the difficulties addressed by the U.K.S.O. in assisting with the development of the fellowship throughout the United Kingdom. Max noted that volunteer staffing is difficult and the U.K.S.O. would appreciate an onsite visit of a person with office management skills

for a period of a week to assist the U.K.S.O. in developing ways to efficiently address needs. Max summarized his requests by stating the the U.K.S.O. is requesting that WSO share their experience rather than concentrating on any evaluative approach. Max's comments prompted further discussion of the existing sales agreement resulting in Bob McD. assigning the development of a comprehensive sales policy to the financial support ad-hoc committee, to be proposed at the next meeting of the board of directors. Max asked if it would be appropriate to make any design changes in I.P. covers. After a brief discussion, it was the consensus of the board that to avoid copyright concerns, no changes in I.P. cover design should be made.

Anthony was then asked to give an Administration and Support Services Division report. Anthony noted that the Basic Journal is in inventory and that 4,600 of the 5,000 Basic Calendars have been sold. Anthony also sought board's permission to change our original Basic Mug decision from an 11 oz. to a 12 oz. mug as this would provide a better product at only .16 more per mug with a negligible increase in shipping costs. There being no objection, the board approved this request by consensus and Anthony noted that 12 Oz. Basic Mugs should be in inventory by mid to late November. Anthony then noted that book covers were still being researched with the hope of providing a quality book cover at a lower price then currently was available from other sources within the fellowship.

Anthony also noted that computer system problems have been resolved through the addition of emergency power back up equipment. Anthony noted that computer service contracts had been cancelled at a substantial savings to WSO and that all necessary software upgrades were in place.

Anthony also noted that Trish has done an outstanding job in maintaining our financial records and with the addition of Jeannie as a part-time hourly assistant, Trish has improved the filing of her financial records. Anthony then noted that all employees will be added to the insurance policy as potential drivers of our van since coverage can be provided at no additional cost. Anthony then noted that the Portuguese and Spanish Basic Text blue lines had been returned, final edits were being made, and both books should be in inventory by the end of November. Anthony then reported that Nevada Coin Mart would be providing our medallions at approximately half the cost of the previous supplier while increasing the quality, weight and precious metal content of the medallions. Samples would be mailed to all board members by the end of November. Anthony also noted that our chip manufacturer has been changed resulting in a reduction of 1/2 the cost of production while increasing the quality and durability of those chips.

A discussion of the speaker tape selection process then took place. Martin moved to keep the Jimmy K. and the NA history tape in our advertised inventory. Oliver seconded and discussion continued. There was discussion of preparing a tape version of Book 2 of the Basic Text enabling people to listen to the stories included in the Basic Text. Since all information was not available at this time, Walter made a substitute motion that the executive committee of the board of directors be empowered to review, authorize and establish prices on the above tapes in question. Oliver seconded that motion and it passed unanimously.

Anthony then noted that the Canadian Service Office continued to operate efficiently with no significant problems.

WCNA-21 had been successfully completed in Sydney with approximately 1700 people in attendance. While final figures were not yet available, all indications are that the convention did not generate a financial loss nor did it generate a substantial monetary gain. The impact of hosting a World Convention was substantial for the Australian Fellowship and it appeared to have been a positive experience for everyone involved.

The board then discussed the scheduling of the next board meeting. There was consensus to schedule a conference call meeting in mid-December to allow the board to concentrate the January meeting on budget concerns. This approach would also allow the board to begin the January meeting at 8:00 a.m. Saturday, January 11, and complete the meeting by 11:00 a.m. Sunday, January 12.

There being no other items to come before the board of directors, the meeting stood adjourned.

Q:\WSO\Minutes\1091BOD

## **NOTES FOR SEPTEMBER FINANCIAL REPORT**

### **WORLD SERVICE OFFICE**

The notes numbered below correspond to the notes on the September financial statement:

1. The General Account entry reflects the writing of \$39,469.75 worth of checks in excess of the available funds in the account that were due in the beginning of October since the accounting staff was going to be in Australia during the first week of October. The additional checks were held and disbursed as the funds became available.

2. We used \$8,500.00 from the First Nationwide account to handle part of the WCC deposit obligations.

3. We also used \$8,500 from the Capital Bank Savings account for WCC activity as well.

4. Accounts Receivables is at a normal level this month.

5. The receivable to WCC is so large because, besides the billing for normal admin expense, we had to transfer money from Canada, and the cash accounts of WSO to facilitate WCNA-21. The intent is that all of this money will be replaced by WCC after the convention.

6. Purchases Clearing increased because we added a shipment of Basic texts to the inventory during the month.

You will notice that we have changed the income report you receive each month to incorporate the budget. We will be continuing to refine the budget entries.

7. The income was only \$5,489.48 off of the monthly level this month.

8. We are still holding the line on administrative expense as much as possible.

### **CANADIAN SERVICE OFFICE**

9. Part of the funds for WCC came from the general account in Canada. We transferred \$23,042.50 (can) for WCC activity.



10. As we previously reported we have begun to reduce this liability of the CSO to the WSO. The \$23,042.50 transferred for WCC was adjusted off of this entry.

**EUROPEAN SERVICE OFFICE**

11. We are finally able to begin to post income for ESO. We expect to be going through this process for the next several months.

12. We are in the process of determining whether or not this is a case of the payment happening during the first week of the next month.

WORLD SERVICE OFFICE, INC  
BALANCE SHEET  
SEPTEMBER 30, 1991

ASSETS

CURRENT ASSETS

CASH ON HAND	400.00	
GENERAL ACCOUNT	(39,469.75)	(1)
PAYROLL ACCOUNT	7,299.69	
FIRST NATIONWIDE BANK	17,940.48	(2)
BANK OF AMERICA	4,565.99	
CAPITAL BANK SAVINGS	10,317.27	(3)
ACCOUNTS RECEIVABLE	314,317.24	(4)
ACCOUNTS RECEIVABLE WSC	(217.91)	
ACCOUNTS RECEIVABLE WCC	72,547.63	(5)
ACCOUNTS RECEIVABLE OTHER	19,394.84	
EMPLOYEE EXCHANGE & ADVANCE	415.00	
INVENTORY	186,991.61	
PREPAID INSURANCE	4,180.26	
E.S.O. ADVANCES	187,345.73	
E.S.O. INVENTORY ADVANCES	31,154.01	
C.S.O. INVENTORY ADVANCES	21,804.92	
	-----	
TOTAL CURRENT ASSETS		838,987.01

FIXED ASSETS

AUTOMOBILES	2,500.00	
COMPUTER EQUIPMENT	172,966.90	
DUPLICATING EQUIPMENT	34,706.01	
TYPESETTING EQUIPMENT	46,552.29	
OFFICE EQUIPMENT	212,463.54	
FURNITURE	180,029.09	
LEASEHOLD IMPROVEMENTS	77,291.01	
LESS: ACCUMULATED DEPRECIATION	(481,360.15)	
	-----	
TOTAL FIXED ASSETS		245,148.69

OTHER ASSETS

DEPOSITS	13,325.10	
	-----	
TOTAL OTHER ASSETS		13,325.10
		-----
TOTAL ASSETS		1,097,460.80
		=====

LIABILITIES AND FUND BALANCE

LIABILITIES

ACCOUNTS PAYABLE	173,455.16	
CSO ORDER DEPOSITS	106.14	
CAPITAL BANK CREDIT LINE	71,550.42	
PAYROLL TAXES PAYABLE - SUTA	4.83	
WORKERS COMPENSATION LIABILITY	2,393.64	
SALES TAXES PAYABLE	1,095.98	
PURCHASES CLEARING	225,731.06	(E)
	-----	
TOTAL LIABILITIES		474,337.23

1-17

WORLD SERVICE OFFICE, INC

BALANCE SHEET

SEPTEMBER 30, 1991

FUND BALANCE

FUND BALANCE

874,592.26

RETAINED EARNINGS-CURRENT YEAR

(251,468.69)

TOTAL FUND BALANCE

623,123.57

TOTAL LIABILITIES AND FUND BALANCE

1,097,460.80

**WORLD SERVICE OFFICE, INC**  
**INCOME STATEMENT**  
**WITH BUDGET COMPARISON**  
**FOR THE PERIOD ENDING SEPTEMBER 30, 1991**

	+----- PERIOD TO DATE -----+			+----- YEAR TO DATE -----+		
	ACTUAL	REVSD BUDGET	REV BUDG VAR	ACTUAL	REVSD BUDGET	REV BUDG VAR
<b>INCOME</b>						
BASIC TEXT	266,728.00	210,000.00	56,728.00	1,746,203.24	1,890,000.00	(143,796.76)
BASIC TEXT-COMMEMORATIVE	1,540.00	1,971.66	(431.66)	9,170.00	17,745.02	(8,575.02)
BASIC TEXT-FRENCH		1.25	(1.25)	20.00	11.25	8.75
HANDBOOKS	2,767.00	5,438.05	(2,671.05)	32,733.50	48,942.53	(16,209.03)
IT WORKS: TRADITIONS	12.50		12.50	1,202.50		1,202.50
LITERATURE	38,206.44	57,217.66	(19,011.22)	458,747.49	514,959.14	(56,211.65)
MEDALLIONS, TAGS & CHIPS	53,001.15	60,039.50	(7,038.35)	502,407.67	540,355.55	(37,947.88)
MEDALLIONS: SILVER	350.00	1,598.95	(1,248.95)	7,200.00	14,390.65	(7,190.65)
INFORMATION BOOKLETS	25,737.57	20,482.37	5,255.20	186,397.99	184,341.37	2,056.62
NA WAY MAGAZINE	4,379.00	10,000.00	(5,621.00)	57,801.50	90,000.00	(32,198.50)
MISCELLANEOUS	9,075.27	9,201.86	(126.59)	102,736.89	82,816.74	19,920.15
SHIPPING	8,585.36	9,262.18	(676.82)	79,079.36	83,359.62	(4,280.26)
CANADIAN CONVERSIONS				62.02		62.02
DISCOUNTS	(115,684.18)	(85,025.89)	(30,658.29)	(776,704.25)	(765,233.10)	(11,471.15)
<b>TOTAL INCOME</b>	<b>294,698.11</b>	<b>300,187.59</b>	<b>(5,489.48)</b>	<b>2,407,057.91</b>	<b>2,701,688.77</b>	<b>(294,630.86)</b>
<b>COST OF MERCHANDISE</b>						
BASIC TEXT	62,465.18	51,458.33	(11,006.85)	406,339.44	463,125.01	56,785.57
BASIC TEXT-COMMEMORATIVE	213.40		(213.40)	1,270.70		(1,270.70)
HANDBOOKS	1,054.91	2,539.57	1,484.66	15,937.73	22,856.22	-6,918.49
IT WORKS: TRADITIONS	3.25		(3.25)	313.30		(313.30)
LITERATURE	9,267.33	14,438.97	5,171.64	116,466.56	129,950.76	13,484.20
MEDALLIONS, TAGS & CHIPS	23,731.23	22,504.69	(1,226.54)	222,426.65	202,542.29	(19,884.36)
MEDALLIONS: SILVER	179.90	824.42	644.52	3,752.20	7,419.80	3,667.60
INFORMATION BOOKLETS	11,874.50	9,274.68	(2,599.82)	85,796.75	83,472.12	(2,324.63)
NA WAY MAGAZINE	9,160.85	4,250.00	(4,910.85)	74,190.55	38,250.00	(35,940.55)
MISCELLANEOUS	4,700.48	4,637.71	(62.77)	45,129.33	41,739.39	(3,389.94)
CONTRACT LABOR		(93.25)	(93.25)		(839.25)	(839.25)
COST OF GOODS				2,600.00		(2,600.00)
DISCOUNTS	(.82)		.82	(.82)		.82
REPRODUCTION LEASE		4,377.75	4,377.75		39,399.75	39,399.75
REPRODUCTION SUPPLIES		(508.33)	(508.33)	3,494.05	(4,575.01)	(8,069.06)
SHIPPING	4,617.83	10,166.66	5,548.83	83,602.85	91,500.02	7,897.17
SHIPPING SUPPLIES	472.17	496.28	24.11	4,462.30	4,466.52	4.22
TRANSLATIONS (COG)	140.00	340.18	200.18	10,107.25	3,061.66	(7,045.59)
INVENTORY ADJUSTMENT	3,073.27		(3,073.27)	34,201.82		(34,201.82)
<b>TOTAL COST OF MERCHANDISE</b>	<b>130,953.48</b>	<b>124,707.66</b>	<b>(6,245.82)</b>	<b>1,110,090.66</b>	<b>1,122,369.28</b>	<b>12,278.62</b>
<b>GROSS PROFIT</b>	<b>163,744.63</b>	<b>175,479.93</b>	<b>(11,735.30)</b>	<b>1,296,967.25</b>	<b>1,579,319.49</b>	<b>(282,352.24)</b>
<b>EXPENSES</b>						
<b>GENERAL/ADMINISTRATIVE EXPENSE</b>						
AUTO LEASE	114.69	226.91	112.22	789.76	2,042.27	1,252.51
BAD DEBTS		163.33	163.33	2,530.63	1,470.01	(1,060.62)
BANK SERVICE CHARGES	103.96	40.18	(63.78)	1,314.00	361.62	(952.38)
COMPUTER SUPPLIES	1,069.18	750.00	(319.18)	8,702.04	6,750.00	(1,952.04)
CONTRACT LABOR	2,794.00	2,333.33	(460.67)	33,574.25	21,000.01	(12,574.24)

- WORLD SERVICE OFFICE, INC  
INCOME STATEMENT  
WITH BUDGET COMPARISON  
FOR THE PERIOD ENDING SEPTEMBER 30, 1991

	+----- PERIOD TO DATE -----+			+----- YEAR TO DATE -----+		
	ACTUAL	REVSD BUDGET	REV BUDG VAR	ACTUAL	REVSD BUDGET	REV BUDG VAR
COPYRIGHTS		8.33	8.33		75.01	75.01
DEPRECIATION	(8,700.00)	7,941.66	16,641.66	26,100.00	71,475.02	45,375.02
DUES & FEES	1,055.00	242.39	(812.61)	2,535.00	2,181.58	(353.42)
EMPLOYEE TRAINING	532.76	166.66	(366.10)	1,094.01	1,500.02	406.01
EQUIPMENT LEASE	1,661.60	1,333.33	(328.27)	21,230.35	12,000.01	(9,230.34)
EQUIPMENT REPAIR		121.18	121.18	365.91	1,090.67	724.76
FREE PUBLICATIONS	287.00	1,500.00	1,213.00	1,402.00	13,500.00	12,098.00
INSURANCE (GENERAL)	1,900.00	2,083.33	183.33	19,273.96	18,749.97	(523.99)
INTEREST	624.67	348.67	(276.00)	7,002.83	3,138.09	(3,864.74)
MAINTENANCE & REPAIR	1,024.00	1,250.00	226.00	12,458.92	11,250.00	(1,208.92)
OFFICE EXPENSE	2,284.36	4,166.66	1,882.30	33,965.61	37,500.02	3,534.41
POSTAGE	6,001.63	6,916.66	915.03	55,456.47	62,250.02	6,793.55
PUBLIC INFORMATION	805.85	401.98	(403.87)	1,386.35	3,617.82	2,231.47
RENT	11,883.00	12,011.50	128.50	111,673.14	108,103.50	(3,569.64)
REPRODUCTION LEASE	12,049.37		(12,049.37)	58,242.07		(58,242.07)
SERVICE CONTRACTS	141.00	2,500.00	2,359.00	10,870.66	22,500.00	11,629.34
TELEPHONE	6,181.95	4,583.33	(1,598.62)	36,706.59	41,250.01	4,543.42
TRANSLATIONS (LETTERS)	110.00	958.33	848.33	303.90	8,625.01	8,321.11
TRAVEL	3,791.64	6,666.66	2,875.02	72,581.34	60,000.02	(12,581.32)
TYPESETTING SUPPLIES	31.55	416.66	385.11	517.53	3,750.02	3,232.49
UTILITIES	2,094.06	1,416.66	(677.40)	11,423.55	12,750.02	1,326.47
<b>TOTAL GENERAL/ADMINISTRATIVE</b>	<b>47,841.27</b>	<b>58,547.74</b>	<b>10,706.47</b>	<b>531,500.87</b>	<b>526,930.72</b>	<b>(4,570.15)</b>
<b>PERSONNEL EXPENSES</b>						
ACCOUNTING & LEGAL	1,904.75	5,583.33	3,678.58	100,398.19	50,250.01	(50,148.18)
CONSULTING		2,083.33	2,083.33	10,851.75	18,750.01	7,898.26
INSURANCE (HEALTH)	9,212.67	10,416.66	1,203.99	93,626.63	93,750.02	123.39
INSURANCE (W.C.)	1,103.72	1,128.45	24.73	9,410.10	10,156.08	745.98
PAYROLL TAXES	5,930.39	7,529.94	1,599.55	63,590.75	67,769.55	4,178.80
SALARIES	77,458.43	89,583.33	12,124.90	764,638.28	806,250.01	41,611.73
<b>TOTAL PERSONNEL EXPENSES</b>	<b>95,609.96</b>	<b>116,325.04</b>	<b>20,715.08</b>	<b>1,042,515.70</b>	<b>1,046,925.68</b>	<b>4,409.98</b>
<b>INCOME (OTHER)</b>						
INTEREST EARNED	(541.66)	359.42	901.08	(2,368.45)	3,234.82	5,603.27
MISCELLANEOUS	17,532.55		(17,532.55)	(23,212.18)		23,212.18
<b>TOTAL INCOME (OTHER)</b>	<b>16,990.89</b>	<b>359.42</b>	<b>(16,631.47)</b>	<b>(25,580.63)</b>	<b>3,234.82</b>	<b>28,815.45</b>
<b>TOTAL EXPENSES</b>	<b>160,442.12</b>	<b>175,232.20</b>	<b>14,790.08</b>	<b>1,548,435.94</b>	<b>1,577,091.22</b>	<b>28,655.28</b>
<b>NET INCOME (LOSS)</b>	<b>3,302.51</b>	<b>247.73</b>	<b>3,054.78</b>	<b>(251,468.69)</b>	<b>2,228.27</b>	<b>(253,696.96)</b>

**CASH FLOW STATEMENT**  
**MONTH ENDING**  
**SEPTEMBER 1991**

	<u>MONTH-TO-DATE</u>	<u>TOTAL</u>	<u>YEAR-TO-DATE</u>
BEGINNING BALANCE	AUGUST	84,303.00	
CASH ACCOUNTS	37,515.92		
DEPOSITS DURING MONTH	264,003.62		2,586,836.08
EXPENSES DURING MONTH	289,126.45		2,569,001.76
ENDING BALANCE	12,393.09	12,393.09	
SAVINGS ACCOUNT	46,787.08		
DEPOSITS DURING MONTH	23,025.50		
WITHDRAWALS	37,000.00		
ENDING BALANCE	32,812.58	32,812.58	32,812.58
TOTAL CASH ASSETS		45,205.67	
TOTAL NET CHANGE		39,097.33	

CANADIAN SERVICE OFFICE  
BALANCE SHEET  
SEPTEMBER 30, 1991  
FIGURES REFLECTED ARE CANADIAN DOLLARS

ASSETS

CURRENT ASSETS

GENERAL ACCOUNT: CAN \$	8,806.06	(9)
ACCOUNTS RECEIVABLE	12,590.48	
WSO ACCOUNTS RECEIVABLE	(36.16)	
WCC ACCOUNTS RECEIVABLE	83.00	
INVENTORY	28,552.16	
	-----	
TOTAL CURRENT ASSETS		49,995.54

FIXED ASSETS

OFFICE EQUIPMENT	8,359.95	
LESS: ACCUMULATED DEPRECIATION	(597.00)	
	-----	
TOTAL FIXED ASSETS		7,762.95

OTHER ASSETS

DEPOSITS	2,146.67	
	-----	
TOTAL OTHER ASSETS		2,146.67
		-----
TOTAL ASSETS		59,905.16
		=====

LIABILITIES AND FUND BALANCE

LIABILITIES

GOODS & SERVICES TAX PAYABLE	6,966.59	
INVENTORY ADVANCES	40,706.50	(10)
PURCHASES CLEARING	(14,343.62)	
	-----	
TOTAL LIABILITIES		33,329.47

FUND BALANCE

RETAINED EARNINGS - PRIOR	(9,235.84)	
RETAINED EARNINGS-CURRENT YEAR	35,811.53	
	-----	
TOTAL FUND BALANCE		26,575.69
		-----
TOTAL LIABILITIES AND FUND BALANCE		59,905.16
		=====

CANADIAN SERVICE OFFICE  
INCOME STATEMENT  
FOR THE PERIOD ENDING SEPTEMBER 30, 1991  
FIGURES REFLECTED ARE CANADIAN DOLLARS

	----- PERIOD TO DATE -----		----- YEAR TO DATE -----	
	ACTUAL	%	ACTUAL	%
INCOME				
BASIC TEXT	1,616.00	27.3	26,917.00	26.0
BASIC TEXT - FRENCH	130.00	2.2	13,380.00	12.9
HANDBOOKS	28.00	.5	2,442.50	2.4
IT WORKS: TRADITIONS			12.50	.0
LITERATURE	1,779.18	30.1	26,106.64	25.3
MEDS, TAGS & CHIPS	2,135.50	36.1	24,235.05	23.5
MEDALLIONS: SILVER	50.00	.8	2,950.00	2.9
INFORMATION BOOKLETS	397.20	6.7	7,845.20	7.6
NA WAY MAGAZINE	(15.00)	(.3)	1,856.00	1.8
MISCELLANEOUS	48.00	.8	4,168.20	4.0
SHIPPING	302.81	5.1	4,521.01	4.4
DISCOUNTS	(560.16)	(9.5)	(11,088.67)	(10.7)
	-----	-----	-----	-----
TOTAL INCOME	5,911.53	100.0	103,345.43	100.0
COST OF MERCHANDISE				
BASIC TEXT	395.34	6.7	6,458.23	6.2
BASIC TEXT - FRENCH	57.98	1.0	5,967.48	5.8
HANDBOOKS	11.01	.2	1,096.21	1.1
IT WORKS: TRADITIONS			3.25	.0
LITERATURE	659.82	11.2	8,508.72	8.2
MEDS, TAGS & CHIPS	898.02	15.2	10,155.23	9.8
MEDALLIONS: SILVER	25.70	.4	1,516.30	1.5
INFORMATION BOOKLETS	176.26	3.0	3,381.00	3.3
NA WAY MAGAZINE			22.80	.0
MISCELLANEOUS	18.80	.3	2,321.86	2.2
SHIPPING	527.62	8.9	7,289.19	7.1
SHIPPING SUPPLIES			1,350.74	1.3
INVENTORY ADJUSTMENT	35.92	.6	1,201.68	1.2
	-----	-----	-----	-----
TOTAL COST OF MERCHANDISE	2,806.47	47.5	49,272.69	47.7
	-----	-----	-----	-----
GROSS PROFIT	3,105.06	52.5	54,072.74	52.3
EXPENSES				
GENERAL/ADMINISTRATIVE EXPENSES				
BANK SERVICE CHARGES			73.00	.1
BUSINESS TAX	7.85	.1	16.45	.0
DUES & FEES			1,192.07	1.2
EQUIPMENT RENTAL			323.14	.3
INSURANCE (GENERAL)			1,000.00	1.0
OFFICE EXPENSE			273.01	.3
POSTAGE			435.72	.4
PUBLIC INFORMATION			(179.35)	(.2)
RENT	1,291.88	21.9	11,383.39	11.0
SERVICE CONTRACTS	89.53	1.5	89.53	.1
TELEPHONE	171.74	2.9	1,849.45	1.8
TRAVEL			268.00	.3
UTILITIES	28.91	.5	763.34	.7



CANADIAN SERVICE OFFICE  
INCOME STATEMENT  
FOR THE PERIOD ENDING SEPTEMBER 30, 1991  
FIGURES REFLECTED ARE CANADIAN DOLLARS

	+--- PERIOD TO DATE ---+		+--- YEAR TO DATE ---+	
	ACTUAL	%	ACTUAL	%
TOTAL GENERAL/ADMINISTRATIVE EXPENSES	1,589.91	26.9	17,487.75	16.9
PERSONNEL EXPENSES				
SALARIES	235.86	4.0	2,374.62	2.3
TOTAL PERSONNEL EXPENSES	235.86	4.0	2,374.62	2.3
OTHER INCOME & EXPENSE				
MISCELLANEOUS INCOME	126.17	2.1	(1,601.16)	(1.5)
TOTAL OTHER INCOME & EXPENSE	126.17	2.1	(1,601.16)	(1.5)
TOTAL EXPENSES	1,951.94	33.0	18,261.21	17.7
NET INCOME (LOSS)	1,153.12	19.5	35,811.53	34.7

**EUROPEAN SERVICE OFFICE**  
**BALANCE SHEET**  
**SEPTEMBER 30, 1991**  
**FIGURES REFLECTED ARE IN ENGLISH POUNDS**

**ASSETS**

**CURRENT ASSETS**

GENERAL ACCOUNT: POUNDS	3,550.30	
GENERAL ACCOUNT: US \$	726.91	
HOLDING ACCOUNT	700.00	
PAYROLL ACCOUNT	3,349.89	
ACCOUNTS RECEIVABLE	1,729.00	
INVENTORY	12,425.83	
	-----	
TOTAL CURRENT ASSETS		22,481.93

**FIXED ASSETS**

COMPUTER EQUIPMENT	5,731.48	
LEASEHOLD IMPROVEMENTS	350.00	
LESS: ACCUMULATED DEPRECIATION	(391.00)	
	-----	
TOTAL FIXED ASSETS		5,690.48

**OTHER ASSETS**

DEPOSITS	2,426.00	
	-----	
TOTAL OTHER ASSETS		2,426.00
		-----
TOTAL ASSETS		30,598.41
		=====

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

W.S.O. ADVANCES	106,042.67	
INVENTORY ADVANCES	16,859.14	
COMPUTER EQUIPMENT ADVANCES	4,257.73	
	-----	
TOTAL LIABILITIES		127,159.54

**FUND BALANCE**

FUND BALANCE	(75,550.04)	
RETAINED EARNINGS-CURRENT YEAR	(21,011.09)	
	-----	
TOTAL FUND BALANCE		(96,561.13)
		-----
TOTAL LIABILITIES AND FUND BALANCE		30,598.41
		=====

**EUROPEAN SERVICE OFFICE**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDING SEPTEMBER 30, 1991**  
**FIGURES REFLECTED ARE IN ENGLISH POUNDS**

+--- PERIOD TO DATE -----+--- YEAR TO DATE -----+  
 ACTUAL                      %                      ACTUAL                      %

**INCOME**

MISCELLANEOUS	5,159.82	100.0	12,633.90	101.0
CONVERSIONS			(127.88)	(1.0)
TOTAL INCOME	5,159.82	100.0	12,506.02	100.0

(11)

**COST OF MERCHANDISE**

SHIPPING			313.94	2.5
TOTAL COST OF MERCHANDISE	.00	.0	313.94	2.5
GROSS PROFIT	5,159.82	100.0	12,192.08	97.5

**EXPENSES**

**GENERAL/ADMINISTRATIVE EXPENSES**

BANK SERVICE CHARGES	85.80	1.7	336.15	2.7
COMPUTER SUPPLIES			109.25	.9
EMPLOYEE TRAINING			14.30	.1
INSURANCE (GENERAL)	208.00	4.0	208.00	1.7
MAINTENANCE & REPAIR			231.53	1.9
OFFICE EXPENSE	38.69	.7	2,320.64	18.6
POSTAGE	49.35	1.0	1,483.90	11.9
RENT	860.00	16.7	8,083.00	64.6
STORAGE SPACE			1,120.00	9.0
TELEPHONE			2,369.27	18.9
TRAVEL			4,754.12	38.0
TOTAL GENERAL/ADMINISTRATIVE EXPENSES	1,241.84	24.1	21,030.16	168.2

**PERSONNEL EXPENSES**

SALARIES			12,134.36	97.0
TOTAL PERSONNEL EXPENSES	.00	.0	12,134.36	97.0

(12)

**OTHER INCOME & EXPENSE**

MISCELLANEOUS INCOME			38.65	.3
TOTAL OTHER INCOME & EXPENSE	.00	.0	38.65	.3
TOTAL EXPENSES	1,241.84	24.1	33,203.17	265.5
NET INCOME (LOSS)	3,917.98	75.9	(21,011.09)	(168.0)

=====

## **NOTES FOR OCTOBER FINANCIAL REPORT**

### **WORLD SERVICE OFFICE**

The notes numbered below correspond to the notes on the October financial statement:

1. This month we wrote \$6,280.45 in checks from the General Account in excess of the available funds in the account, since the month end was in the middle of the week and the next days deposits would apply to the November statement.

2. The return of the \$8,500.00 from the First Nationwide account to handle part of the WCC deposit obligations will be reflected in the November statement.

3. The return of the \$8,500 from the Capital Bank Savings account for WCC activity also will be reflected in the November statement.

4. Accounts Receivable WSC reflects that the conference has paid in excess of their monthly billing which established a credit.

5. This entry reflects the addition of one of the devices we acquired rather than purchase service agreements for the workstations.

6. Payables is up primarily due to the addition of an invoice from Donnelly for the printing of the text.

7. We have reduced the level of this liability by paying approximately \$3,400 per week.

8. Income was down this month due to the fact that we were out of Basic Text the entire month of September. We did however, keep the money from the prepaid orders that were received during that time. When we got books in October we shipped books that had been paid for in September.

9. We have had to continue to update all of our application software as well as purchase spare parts to accommodate down workstations. Also we had to purchase two fairly expensive uninterruptable power supplies for the files servers in 16155.

10. There were five pay dates in October.

11. The FSO did make a payment we were in Australia.

### **CANADIAN SERVICE OFFICE**

12. We had a normal income month in Canada. It appears at this point that we will exceed our income projections for Canada this year.

**EUROPEAN SERVICE OFFICE**

13. This figure represents two months payment.

WORLD SERVICE OFFICE, INC  
BALANCE SHEET  
OCTOBER 31, 1991

ASSETS

CURRENT ASSETS

CASH ON HAND	400.00	
GENERAL ACCOUNT	(6,280.45)	(1)
PAYROLL ACCOUNT	4,269.86	
FIRST NATIONWIDE BANK	17,940.48	(2)
BANK OF AMERICA	1,568.52	
CAPITAL BANK SAVINGS	10,317.27	(3)
ACCOUNTS RECEIVABLE	257,884.55	
ACCOUNTS RECEIVABLE WSC	(12,406.54)	(4)
ACCOUNTS RECEIVABLE WCC	82,698.16	
ACCOUNTS RECEIVABLE OTHER	19,144.84	
EMERGENCY FUND ACCOUNT	(194.50)	
EMPLOYEE EXCHANGE & ADVANCE	250.00	
INVENTORY	167,346.84	
PREPAID INSURANCE	8,776.26	
E.S.O. ADVANCES	190,345.73	
E.S.O. INVENTORY ADVANCES	33,997.30	
C.S.O. INVENTORY ADVANCES	24,021.25	
	-----	
TOTAL CURRENT ASSETS		800,079.57

FIXED ASSETS

AUTOMOBILES	2,500.00	
COMPUTER EQUIPMENT	175,445.25	(5)
DUPLICATING EQUIPMENT	34,706.01	
TYPESETTING EQUIPMENT	46,552.29	
OFFICE EQUIPMENT	212,463.54	
FURNITURE	180,029.09	
LEASEHOLD IMPROVEMENTS	77,291.01	
LESS: ACCUMULATED DEPRECIATION	(490,060.15)	
	-----	
TOTAL FIXED ASSETS		238,927.04

OTHER ASSETS

DEPOSITS	13,325.10	
	-----	
TOTAL OTHER ASSETS		13,325.10
	-----	
TOTAL ASSETS		1,052,331.71
	=====	

LIABILITIES AND FUND BALANCE

LIABILITIES

ACCOUNTS PAYABLE	253,373.55	(6)
CAPITAL BANK CREDIT LINE	57,240.42	(7)
PAYROLL TAXES PAYABLE - SUTA	17.04	
WORKERS COMPENSATION LIABILITY	4,680.42	
SALES TAXES PAYABLE	2,189.57	
PURCHASES CLEARING	152,946.85	
	-----	
TOTAL LIABILITIES		470,447.85

1-29

WORLD SERVICE OFFICE, INC  
BALANCE SHEET  
OCTOBER 31, 1991

FUND BALANCE

FUND BALANCE	874,592.26
RETAINED EARNINGS-CURRENT YEAR	(292,708.40)

TOTAL FUND BALANCE

581,883.86

TOTAL LIABILITIES AND FUND BALANCE

1,052,331.71

WORLD SERVICE OFFICE, INC  
INCOME STATEMENT  
WITH BUDGET COMPARISON  
FOR THE PERIOD ENDING OCTOBER 31, 1991

	----- PERIOD TO DATE -----			----- YEAR TO DATE -----		
	ACTUAL	REVSD BUDGET	REV BUDG VAR	ACTUAL	REVSD BUDGET	REV BUDG VAR
<b>INCOME</b>						
BASIC TEXT	114,759.00	210,000.00	(95,241.00)	1,860,962.24	2,100,000.00	(239,037.76)
BASIC TEXT-COMMEMORATIVE	455.00	1,971.66	(1,516.66)	9,625.00	19,716.68	(10,091.68)
BASIC TEXT-FRENCH		1.25	(1.25)	20.00	12.50	7.50
HANDBOOKS	3,519.00	5,438.05	(1,919.05)	36,252.50	54,380.58	(18,128.08)
IT WORKS: TRADITIONS	170.00		170.00	1,372.50		1,372.50
LITERATURE	61,332.90	57,217.66	4,115.24	520,080.39	572,176.80	(52,096.41)
MEDALLIONS, TAGS & CHIPS	60,232.35	60,039.50	192.85	562,640.02	600,395.05	(37,755.03)
MEDALLIONS: SILVER	1,250.00	1,598.95	(348.95)	8,450.00	15,989.60	(7,539.60)
INFORMATION BOOKLETS	20,740.15	20,482.37	257.78	207,138.14	204,823.74	2,314.40
NA WAY MAGAZINE	6,857.15	10,000.00	(3,142.85)	64,658.65	100,000.00	(35,341.35)
MISCELLANEOUS	23,987.20	9,201.86	14,785.34	126,724.09	92,018.60	34,705.49
SHIPPING	5,352.04	9,262.18	(3,910.14)	84,431.40	92,621.80	(8,190.40)
CANADIAN CONVERSIONS				62.02		62.02
DISCOUNTS	(59,728.91)	(85,025.89)	25,296.98	(836,433.16)	(850,258.99)	13,825.83
<b>TOTAL INCOME</b>	<b>238,925.88</b>	<b>300,187.59</b>	<b>(61,261.71)</b>	<b>2,645,983.79</b>	<b>3,001,876.36</b>	<b>(355,892.57)</b>
<b>COST OF MERCHANDISE</b>						
BASIC TEXT	25,993.15	51,458.33	25,465.18	432,332.59	514,583.34	82,250.75
BASIC TEXT-COMMEMORATIVE	63.05		(63.05)	1,333.75		(1,333.75)
HANDBOOKS	1,523.31	2,539.57	1,016.26	17,461.04	25,395.79	7,934.75
IT WORKS: TRADITIONS	44.20		(44.20)	357.50		(357.50)
LITERATURE	16,337.03	14,438.97	(1,898.06)	132,803.59	144,389.73	11,586.14
MEDALLIONS, TAGS & CHIPS	27,054.82	22,504.69	(4,550.13)	249,481.47	225,046.98	(24,434.49)
MEDALLIONS: SILVER	642.50	824.42	181.92	4,394.70	8,244.22	3,849.52
INFORMATION BOOKLETS	9,903.22	9,274.68	(628.54)	95,699.97	92,746.80	(2,953.17)
NA WAY MAGAZINE	4,888.06	4,250.00	(638.06)	79,078.61	42,500.00	(36,578.61)
MISCELLANEOUS	11,207.53	4,637.71	(6,569.82)	56,336.86	46,377.10	(9,959.76)
CONTRACT LABOR		(93.25)	(93.25)		(932.50)	(932.50)
COST OF GOODS				2,600.00		(2,600.00)
DISCOUNTS	(3.13)		3.13	(3.95)		3.95
REPRODUCTION LEASE		4,377.75	4,377.75		43,777.50	43,777.50
REPRODUCTION SUPPLIES	1,291.42	(508.33)	(1,799.75)	4,785.47	(5,083.34)	(9,868.81)
SHIPPING	13,579.36	10,166.66	(3,412.70)	97,182.21	101,666.68	4,484.47
SHIPPING SUPPLIES	566.55	496.28	(70.27)	5,028.85	4,962.80	(66.05)
TRANSLATIONS (COG)	50.00	340.18	290.18	10,157.25	3,401.84	(6,755.41)
INVENTORY ADJUSTMENT	(2,392.55)		2,392.55	31,809.27		(31,809.27)
<b>TOTAL COST OF MERCHANDISE</b>	<b>110,748.52</b>	<b>124,707.66</b>	<b>13,959.14</b>	<b>1,220,839.18</b>	<b>1,247,076.94</b>	<b>26,237.76</b>
<b>GROSS PROFIT</b>	<b>128,177.36</b>	<b>175,479.93</b>	<b>(47,302.57)</b>	<b>1,425,144.61</b>	<b>1,754,799.42</b>	<b>(329,654.81)</b>
<b>EXPENSES</b>						
<b>GENERAL/ADMINISTRATIVE EXPENSE</b>						
AUTO LEASE	135.48	226.91	91.43	925.24	2,269.18	1,343.94
BAD DEBTS	82.93	163.33	80.40	2,613.56	1,633.34	(980.22)
BANK SERVICE CHARGES	5.44	40.17	34.73	1,319.44	401.79	(917.65)
COMPUTER SUPPLIES	3,547.63	750.00	(2,797.63)	12,249.67	7,500.00	(4,749.67)
CONTRACT LABOR	2,017.19	2,333.33	316.14	35,591.44	23,333.34	(12,258.10)



WORLD SERVICE OFFICE, INC  
INCOME STATEMENT  
WITH BUDGET COMPARISON  
FOR THE PERIOD ENDING OCTOBER 31, 1991

	+----- PERIOD TO DATE -----+				+----- YEAR TO DATE -----+			
	ACTUAL	REVSD BUDGET	REV BUDG VAR		ACTUAL	REVSD BUDGET	REV BUDG VAR	
COPYRIGHTS		8.33	8.33			83.34	83.34	
DEPRECIATION	8,700.00	7,941.66	(758.34)		34,800.00	79,416.68	44,616.68	
DUES & FEES	200.00	242.39	42.39		2,735.00	2,423.97	(311.03)	
EMPLOYEE TRAINING	936.00	166.66	(769.34)		2,030.01	1,666.68	(363.33)	
EQUIPMENT LEASE	1,491.14	1,333.33	(157.81)		22,721.49	13,333.34	(9,388.15)	
EQUIPMENT REPAIR	294.95	121.18	(173.77)		660.86	1,211.85	550.99	
FREE PUBLICATIONS	906.00	1,500.00	594.00		2,308.00	15,000.00	12,692.00	
INSURANCE (GENERAL)	1,900.00	2,083.33	183.33		21,173.96	20,833.30	(340.66)	
INTEREST	278.32	348.67	70.35		7,281.15	3,486.76	(3,794.39)	
MAINTENANCE & REPAIR	1,248.50	1,250.00	1.50		13,707.42	12,500.00	(1,207.42)	
OFFICE EXPENSE	8,483.53	4,166.66	(4,316.87)		42,449.14	41,666.68	(782.46)	
POSTAGE	3,615.33	6,916.66	3,301.33		59,071.80	69,166.68	10,094.88	
PUBLIC INFORMATION	(3,154.00)	401.98	3,555.98		(1,767.65)	4,019.80	5,787.45	
RENT	12,280.44	12,011.50	(268.94)		123,953.58	120,115.00	(3,838.58)	
REPRODUCTION LEASE	6,515.60		(6,515.60)		64,757.67		(64,757.67)	
SERVICE CONTRACTS	1,732.50	2,500.00	767.50		12,603.16	25,000.00	12,396.84	
TELEPHONE	4,738.57	4,583.33	(155.24)		41,445.16	45,833.34	4,388.18	
TRANSLATIONS (LETTERS)		958.33	958.33		303.90	9,583.34	9,279.44	
TRAVEL	4,452.37	6,666.66	2,214.29		77,033.71	66,666.68	(10,367.03)	
TYPESETTING SUPPLIES		416.66	416.66		517.53	4,166.68	3,649.15	
UTILITIES	1,140.63	1,416.66	276.03		12,564.18	14,166.68	1,602.50	
TOTAL GENERAL/ADMINISTRATIV	61,548.55	58,547.73	(3,000.82)		593,049.42	585,478.45	(7,570.97)	
PERSONNEL EXPENSES								
ACCOUNTING & LEGAL	3,969.28	5,583.33	1,614.05		104,367.47	55,833.34	(48,534.13)	
CONSULTING	210.00	2,083.33	1,873.33		11,061.75	20,833.34	9,771.59	
INSURANCE (HEALTH)	9,037.52	10,416.66	1,379.14		102,664.15	104,166.68	1,502.53	
INSURANCE (W.C.)	1,339.44	1,128.45	(210.99)		10,749.54	11,284.53	534.99	
PAYROLL TAXES	6,710.67	7,529.94	819.27		70,301.42	75,299.49	4,998.07	
SALARIES	87,496.37	89,583.33	2,086.96		852,134.65	895,833.34	43,698.69	
TOTAL PERSONNEL EXPENSES	108,763.28	116,325.04	7,561.76		1,151,278.98	1,163,250.72	11,971.74	
INCOME (OTHER)								
INTEREST EARNED	(7.53)	359.42	366.95		(2,375.98)	3,594.24	5,970.22	
MISCELLANEOUS	(887.23)		887.23		(24,099.41)		24,099.41	
TOTAL INCOME (OTHER)	(894.76)	359.42	1,254.18		(26,475.39)	3,594.24	30,069.63	
TOTAL EXPENSES	169,417.07	175,232.19	5,815.12		1,717,853.01	1,752,323.41	34,470.40	
NET INCOME (LOSS)	(41,239.71)	247.74	(41,487.45)		(292,708.40)	2,476.01	(295,184.41)	

CANADIAN SERVICE OFFICE  
BALANCE SHEET  
OCTOBER 31, 1991  
FIGURES REFLECTED ARE CANADIAN DOLLARS

ASSETS

CURRENT ASSETS

GENERAL ACCOUNT: CAN \$	18,554.83	
ACCOUNTS RECEIVABLE	12,635.36	
WSO ACCOUNTS RECEIVABLE	64.44	
WCC ACCOUNTS RECEIVABLE	83.00	
INVENTORY	33,651.53	
	-----	
TOTAL CURRENT ASSETS		64,989.16

FIXED ASSETS

OFFICE EQUIPMENT	8,359.95	
LESS: ACCUMULATED DEPRECIATION	(597.00)	
	-----	
TOTAL FIXED ASSETS		7,762.95

OTHER ASSETS

DEPOSITS	2,146.67	
	-----	
TOTAL OTHER ASSETS		2,146.67

TOTAL ASSETS		74,898.78
		=====

LIABILITIES AND FUND BALANCE

LIABILITIES

GOODS & SERVICES TAX PAYABLE	7,754.38	
INVENTORY ADVANCES	49,857.35	
PURCHASES CLEARING	(14,343.62)	
	-----	
TOTAL LIABILITIES		43,268.11

FUND BALANCE

RETAINED EARNINGS - PRIOR	(9,235.84)	
RETAINED EARNINGS-CURRENT YEAR	40,866.51	
	-----	
TOTAL FUND BALANCE		31,630.67

TOTAL LIABILITIES AND FUND BALANCE		74,898.78
		=====

CANADIAN SERVICE OFFICE  
INCOME STATEMENT  
FOR THE PERIOD ENDING OCTOBER 31, 1991  
FIGURES REFLECTED ARE CANADIAN DOLLARS

+--- PERIOD TO DATE -----+--- YEAR TO DATE -----+  
ACTUAL % ACTUAL %

INCOME

BASIC TEXT	4,200.00	35.4	31,117.00	27.0
BASIC TEXT - FRENCH	500.00	4.2	13,880.00	12.0
HANDBOOKS	125.50	1.1	2,568.00	2.2
IT WORKS: TRADITIONS	10.00	.1	22.50	.0
LITERATURE	1,544.85	13.0	27,651.49	24.0
MEDS, TAGS & CHIPS	2,719.20	22.9	26,954.25	23.4
MEDALLIONS: SILVER			2,950.00	2.6
INFORMATION BOOKLETS	1,260.80	10.6	9,106.00	7.9
NA WAY MAGAZINE	616.40	5.2	2,472.40	2.1
MISCELLANEOUS	1,267.35	10.7	5,435.55	4.7
SHIPPING	638.62	5.4	5,159.63	4.5
DISCOUNTS	(1,012.37)	(8.5)	(12,101.04)	(10.5)
	-----	-----	-----	-----
TOTAL INCOME	11,870.35	100.0	115,215.78	100.0

COST OF MERCHANDISE

BASIC TEXT	880.59	7.4	7,338.82	6.4
BASIC TEXT - FRENCH	223.00	1.9	6,190.48	5.4
HANDBOOKS	44.86	.4	1,141.07	1.0
IT WORKS: TRADITIONS	2.60	.0	5.85	.0
LITERATURE	574.82	4.8	9,083.54	7.9
MEDS, TAGS & CHIPS	1,069.60	9.0	11,224.83	9.7
MEDALLIONS: SILVER			1,516.30	1.3
INFORMATION BOOKLETS	538.64	4.5	3,919.64	3.4
NA WAY MAGAZINE			22.80	.0
MISCELLANEOUS	533.12	4.5	2,854.98	2.5
SHIPPING	1,056.47	8.9	8,345.66	7.2
SHIPPING SUPPLIES			1,350.74	1.2
INVENTORY ADJUSTMENT	199.19	1.7	1,400.87	1.2
	-----	-----	-----	-----
TOTAL COST OF MERCHANDISE	5,122.89	43.2	54,395.58	47.2
	-----	-----	-----	-----
GROSS PROFIT	6,747.46	56.8	60,820.20	52.8

EXPENSES

GENERAL/ADMINISTRATIVE EXPENSES

BANK SERVICE CHARGES	8.00	.1	81.00	.1
BUSINESS TAX			16.45	.0
DUES & FEES			1,192.07	1.0
EQUIPMENT RENTAL			323.14	.3
INSURANCE (GENERAL)			1,000.00	.9
OFFICE EXPENSE	(25.00)	(.2)	248.01	.2
POSTAGE			435.72	.4
PUBLIC INFORMATION			(179.35)	(.2)
RENT	1,160.60	9.8	12,543.99	10.9
SERVICE CONTRACTS	81.08	.7	170.61	.1
TELEPHONE	207.67	1.7	2,057.12	1.8
TRAVEL			268.00	.2
UTILITIES	25.85	.2	789.19	.7

1-34

**CANADIAN SERVICE OFFICE  
INCOME STATEMENT  
FOR THE PERIOD ENDING OCTOBER 31, 1991  
FIGURES REFLECTED ARE CANADIAN DOLLARS**

	+--- PERIOD TO DATE ---+		+--- YEAR TO DATE ---+	
	ACTUAL	%	ACTUAL	%
TOTAL GENERAL/ADMINISTRATIVE EXPENSES	1,458.20	12.3	18,945.95	16.4
PERSONNEL EXPENSES				
SALARIES	234.68	2.0	2,609.30	2.3
TOTAL PERSONNEL EXPENSES	234.68	2.0	2,609.30	2.3
OTHER INCOME & EXPENSE				
MISCELLANEOUS INCOME	(.40)	.0	(1,601.56)	(1.4)
TOTAL OTHER INCOME & EXPENSE	(.40)	.0	(1,601.56)	(1.4)
TOTAL EXPENSES	1,692.48	14.3	19,953.69	17.3
NET INCOME (LOSS)	5,054.98	42.6	40,866.51	35.5

(12)

EUROPEAN SERVICE OFFICE  
BALANCE SHEET  
OCTOBER 31, 1991  
FIGURES REFLECTED ARE IN ENGLISH POUNDS

ASSETS

CURRENT ASSETS

GENERAL ACCOUNT: POUNDS	90.59
HOLDING ACCOUNT	700.00
PAYROLL ACCOUNT	54.45
ACCOUNTS RECEIVABLE	1,729.00
INVENTORY	13,930.21

TOTAL CURRENT ASSETS	-----	16,504.25
----------------------	-------	-----------

FIXED ASSETS

COMPUTER EQUIPMENT	5,731.48
LEASEHOLD IMPROVEMENTS	350.00
LESS: ACCUMULATED DEPRECIATION	(391.00)

TOTAL FIXED ASSETS	-----	5,690.48
--------------------	-------	----------

OTHER ASSETS

DEPOSITS	2,426.00
----------	----------

TOTAL OTHER ASSETS	-----	2,426.00
--------------------	-------	----------

TOTAL ASSETS	-----	24,620.73
	=====	

LIABILITIES AND FUND BALANCE

LIABILITIES

W.S.O. ADVANCES	107,787.36
INVENTORY ADVANCES	18,363.52
COMPUTER EQUIPMENT ADVANCES	4,257.73

TOTAL LIABILITIES	-----	130,408.61
-------------------	-------	------------

FUND BALANCE

FUND BALANCE	(75,550.04)
RETAINED EARNINGS-CURRENT YEAR	(30,237.84)

TOTAL FUND BALANCE	-----	(105,787.88)
--------------------	-------	--------------

TOTAL LIABILITIES AND FUND BALANCE	-----	24,620.73
	=====	

EUROPEAN SERVICE OFFICE  
INCOME STATEMENT  
FOR THE PERIOD ENDING OCTOBER 31, 1991  
FIGURES REFLECTED ARE IN ENGLISH POUNDS

	+---- PERIOD TO DATE -----+----- YEAR TO DATE -----+			
	ACTUAL	%	ACTUAL	%
INCOME				
MISCELLANEOUS	449.05	100.0	13,082.95	101.0
CONVERSIONS			(127.88)	(1.0)
	-----	-----	-----	-----
TOTAL INCOME	449.05	100.0	12,955.07	100.0
COST OF MERCHANDISE				
SHIPPING	1,183.07	263.5	1,497.01	11.6
	-----	-----	-----	-----
TOTAL COST OF MERCHANDISE	1,183.07	263.5	1,497.01	11.6
	-----	-----	-----	-----
GROSS PROFIT	(734.02)	(163.5)	11,458.06	88.4
EXPENSES				
GENERAL/ADMINISTRATIVE EXPENSES				
BAD DEBTS	5.00	1.1	5.00	.0
BANK SERVICE CHARGES			336.15	2.6
COMPUTER SUPPLIES			109.25	.8
EMPLOYEE TRAINING	290.00	64.6	304.30	2.3
INSURANCE (GENERAL)			208.00	1.6
MAINTENANCE & REPAIR			231.53	1.8
OFFICE EXPENSE	3,265.10	727.1	5,585.74	43.1
POSTAGE	221.00	49.2	1,704.90	13.2
RENT	720.00	160.3	8,803.00	68.0
STORAGE SPACE	160.00	35.6	1,280.00	9.9
TELEPHONE	433.52	96.5	2,802.79	21.6
TRAVEL	131.32	29.2	4,885.44	37.7
	-----	-----	-----	-----
TOTAL GENERAL/ADMINISTRATIVE EXPENSES	5,225.94	*****	26,256.10	202.7
PERSONNEL EXPENSES				
SALARIES	3,266.79	727.5	15,401.15	118.9
	-----	-----	-----	-----
TOTAL PERSONNEL EXPENSES	3,266.79	727.5	15,401.15	118.9
OTHER INCOME & EXPENSE				
MISCELLANEOUS INCOME			38.65	.3
	-----	-----	-----	-----
TOTAL OTHER INCOME & EXPENSE	.00	.0	38.65	.3
	-----	-----	-----	-----
TOTAL EXPENSES	8,492.73	*****	41,695.90	321.9
	-----	-----	-----	-----
NET INCOME (LOSS)	(9,226.75)	*****	(30,237.84)	(233.4)
	=====	=====	=====	=====

## **WORLD SERVICE CONFERENCE BUDGET COMMITTEE**

### **PURPOSE, PRIMARY ACTIVITIES**

#### **Purpose**

The purpose of the WSC Budget Committee (herein referred to as budget committee) is to ensure that world service funds are properly allocated and prudently utilized. The committee has authority to develop a comprehensive budget, allocate funds, monitor use of allocated funds, and revoke funding.

#### **Primary Activities**

The budget committee fulfills its purpose by carrying out four primary activities:

1. The budget committee develops a comprehensive world service budget, based on specific project and expense plans submitted by each board or committee, for the approval of the WSO Board of Directors.
2. The budget committee allocates funds based on the approved budget.
3. The budget committee conducts an ongoing fiscal review of the board or committee projects to ensure that those projects are adhering to the submitted project plans and budget.
4. Through its annual report, the budget committee provides NA Fellowship with accountability for the utilization of world service funds. The report lists budgeted and actual expenditures for each project.

### **ORGANIZATION**

#### **Membership**

The Committee is composed mostly of members who serve by virtue of their primary world service positions. They serve throughout the year.

#### **Voting Members<sup>1</sup>**

\*Chairperson of the World Service Office Board of Directors

\*Treasurer of the WSO Board of Directors

\*Treasurer of the World Service Conference

\*A member of the WSO Board of Directors appointed by the WSO Board Chairperson

\*A member of World Service Board of Trustees appointed by the WSB Chairperson

\*A past member of the world service leadership elected by the World Service Conference as described below:

---

<sup>1</sup> An alternate slate of voting members has also been developed, composed of two members of the WSC Administrative Committee, the chairperson and treasurer of the WSO Board of Directors, two members of the World Service Board of Trustees, and one former member of the world service leadership elected to the committee by the World Service Conference. This alternate slate would replace the slate listed under the current heading if the unified budget proposal is not accepted.

**Nonvoting Member**

The World Service Office chief financial officer serves as a nonvoting member of the committee.

**Conference Election Of One Member**

The past world service member of the committee is elected by the World Service Conference to serve a three-year term. This member must have served previously as a WSC officer, WSC committee chairperson, or member of the World Service Board of Trustees.<sup>2</sup>

**Leadership**

The chairperson of the World Service Office Board of Directors also chairs this committee.

**Meetings**

The committee will meet a minimum of three times a year, including its annual meeting at the World Service Conference.

**DECISION-MAKING****Majority**

Decisions can be made only by a two-thirds majority of the voting membership of the committee.

**Decision-Making By Telephone**

The committee may hold meetings by telephone conference call to reach its decisions. Except in case of emergency, decisions of the committee will not be reached through polling the individual members by telephone.

**ADMINISTRATION****Project Preparation**

Motions submitted to the World Service Conference which propose new projects or committees will be accompanied by an estimate of costs. Any plan for a new project will include a production overview indicating:

1. A project timeline, showing how much work is expected to be accomplished in how much time, and when the project will be completed. The project timeline should describe the entire life of the project, not just work scheduled for the budget year, though the timeline may be less detailed for work scheduled to be completed in following budget years.
2. Meeting schedules, including the location, maximum number of participants, and any additional expenses proposed for each meeting.

---

<sup>2</sup> An earlier draft of this plan stated that the conference could choose from among former WSO directors, as well as former WSC leaders and former trustees, when electing a member of the budget committee. If, in consideration of this plan, one of the WSO Board of Directors members of the budget committee is eliminated from the ex officio membership slate above, then this section should also be revised to again allow for conference election of a former director to the committee.



3. A listing of any additional expenses associated with the project.

Any motion submitted to the WSC which proposes a new committee or ad-hoc committee will be accompanied by a budget which includes a listing of all general expenses for the budget year, such as full committee meetings, attendance at WSC meetings, representation at meetings of other boards and committees, administrative mailings, and telephone calls. Each general expense entry must include a brief narrative explanation. This information should be based upon current prices for goods or services.

#### **Conference-Established Priority Ratings**

When the World Service Conference approves the commencement of a project, it also assigns a project priority rating. Priority ratings run from 1 to 10, with Priority One being the highest and Priority Ten being the lowest. These priority ratings will guide the Budget Committee as it carries out its responsibilities.

#### **Budget Year**

The budget year will correspond to the conference year--from June 1 through May 31.

#### **BUDGET PREPARATION**

The chief financial officer of the World Service Office is required to present a forecast of WSO and World Convention Corporation income and expenses for the budget year at the World Service Conference.

The treasurer of the World Service Conference is required to present a forecast of income from donations for the next budget year at the World Service Conference. The WSC treasurer will also provide the current balance of the treasury, a report of all expenses incurred but not paid as of the conference and an estimate of expenses committed to through the balance of the conference year.

Within two weeks after the World Service Conference, the various world service boards and committees are required to submit detailed work and expense plans to the Budget Committee. Proposals cover expenses for the current conference year. All proposals must be submitted in writing, using the format described below. Proposals will contain two kinds of entries: project entries and general entries.

#### **Project Entries**

Plans for each service board or committee will include descriptions of all projects being proposed for the budget year. All project plans must include a production overview, indicating:

1. A project timeline, showing how much work is expected to be accomplished in how much time, and when the project will be completed. The project timeline should describe the entire life of the project, not just work scheduled for the budget year, though the timeline may be less detailed for work scheduled to be completed in following budget years.
2. Meeting schedules, including the location, maximum number of participants, and any additional expenses proposed for each meeting.

3. A listing of any additional expenses associated with the project.

#### **General Entries**

Budgets for each service board or committee must include a listing of all general expenses for the budget year, such as full committee or board meetings, administrative mailings, and telephone calls. Each general expense entry must include a brief narrative explanation. This information should be based upon current prices for goods or services.

Within one month following the annual meeting of the World Service Conference, the budget committee meets for a weekend to prepare a detailed budget. The committee will draft a single budget for World Services using the budgets and project costs submitted at the WSC. Prior to the meeting, the WSC Treasurer and the WSO travel coordinator will revise the proposed budgets to reflect current costs, given the geographic changes to the membership of the boards and committees. Consideration will be given to the location of meetings, proximity of some members to the meetings, and contingencies such as use of bonus mileage afforded by the airlines. The budget committee will prepare a budget for any committees or projects which do not have a submitted budget, using the best available information.

To insure the proper allocation and prudent utilization of N.A.'s world service funds, the committee is required to judge the fiscal and administrative merits of each proposal, and to reconcile requests for resources with the income expected for the budget year. The committee considers the accuracy, viability, and completeness of each proposal, project priority ratings, and the overall financial picture for the budget year.

The income forecast may prevent lower priority projects from being included in the draft budget. If this is the case, the respective board or committee responsible for that project has recourse to any of three options.

1. It may include the project in its next budget proposal.
2. Once the budget year actually begins, more funds may become available than were originally anticipated. If this occurs, the respective board or committee may request an allocation of funds for the project. (See "Funding of Additional Projects," below.)
3. It may appeal the decision of the budget committee. (See "Appeals Process," below.)

#### **Budget Advisors**

Once the budget committee has developed a draft budget, each member of the budget committee is assigned to serve as budget advisor to one or more of the other world service boards and committees. Should any given budget proposal require adjustment before inclusion in the final budget, the budget advisor assigned to the proposal's originating service board or committee will resolve the matter with the leadership of that body.

#### **Budget Approval**

Within six weeks after the World Service Conference, the committee reviews the proposed budget with the World Service Board of Trustees, the WSO Board of Directors and the WSC Administrative Committee.

**Reporting**

The completed budget will be mailed to all conference participants within thirty days after it has been reviewed and approved by the Board of Directors, Board of Trustees and Conference Administrative Committee.

**Revising Approved Project Plans**

The committee may review proposals to revise already approved project plans. Such a proposal must include a detailed description of why the original project plan is no longer preferred. A revision proposal must also state the exact changes being proposed for each affected portion of the original project plan.

**Funding Additional Projects**

The committee may review proposals for projects that are not included in the annual budget. Proposals to fund additional projects must include a detailed production plan and cost projection.

Should the committee deny funding for any particular project, the budget committee will provide a report to the respective board or committee, and to the chairpersons of the World Service Board of Trustees and the World Service Conference. The budget committee will include the project on its agenda for consideration when the next year's budget is developed.

**MONITORING AND REPORTING**

On a monthly basis, the committee's budget advisors are provided with progress and expenditure reports for projects being conducted by the service boards or committees to which they are assigned. Budget advisors use this information in developing reports presented to the budget committee at each of its meetings. At the end of each year, the budget committee will compile the reports from the budget advisors for inclusion in the budget committee's annual report to the World Service Conference.

Each year, within three months after the end of the conference year, a certified public accountant conducts a fiscal audit of world service expenditures. This audit is designed to ensure that those expenditures have been consistent with approved project proposals, conference priority decisions, and budget committee policy. A copy of this audit is included in the budget committee's annual report to the World Service Conference.

**Budget Shortfalls**

If world services experiences an income shortfall, the budget committee may cut allocations of budgeted funds. Allocations will be cut according to conference-established priorities, starting with low priority projects. If a shortfall is anticipated, the committee may determine that low priority projects should not commence until later in the budget year or may be carried over for consideration in the budget for the next conference year.

**Revocation of Funding**

If a world service project deviates substantially from its approved project and expense plan, the budget committee may revoke funding for the project. Thirty days in advance, the chairperson of the service board or committee responsible for the project will be notified in

writing that the budget committee intends to consider the matter, and that he or she is invited to meet with the budget committee to provide information relative to the project.

In order to revoke project funding, the decision of the committee must be unanimous. Within seven days of such a decision, the budget committee will provide written notice to the vice chairperson of the WSO Board of Directors, the chairperson and vice chairperson of the World Service Board of Trustees, and the chairperson, vice chairperson, and second vice chairperson of the World Service Conference, if they are not also members of the budget committee.

### **Appeals Process**

Any board or committee that has been denied project funding, or has had funding revoked, may appeal the decision. Within ten days of the decision, the board or committee's chairperson should present the objection in writing to the chairperson of the World Service Board of Trustees. The WSB chairperson will then convene an appeal board, whose decisions will be final. The appeal board will be chaired by the WSB chairperson, and will be composed of the following additional members:

- \*Chairperson, WSO Board of Directors
- \*Chairperson, World Service Conference
- \*Two members of the World Service Board of Trustees, appointed at the beginning of each conference year by the WSB chairperson

A decision to reverse the revocation of funding will require a two-thirds vote. Revoked funds will be frozen while an appeal is pending.

### **Annual Report**

Each year, the budget committee provides an annual report for review by World Service Conference participants. The report is mailed at least thirty days prior to the World Service Conference. Conference participants are given the opportunity to provide input to the committee. Their input may concern past, present, and future budget activities. The conference may alter or redirect the budget.

## **WORLD SERVICE OFFICE OF NARCOTICS ANONYMOUS FINANCIAL MANAGEMENT POLICY**

The World Service Office Board of Directors, acting on behalf of the corporation and the Fellowship of Narcotics Anonymous, hereby adopts and enacts this policy as the Financial Management Policy for the corporation to guide the management of financial affairs of the corporation. Policies contained herein are specific and mandatory. Violation of these policies shall result in such disciplinary action as the board may determine, including dismissal of employees and removal from office of directors. In such circumstances that may arise that are not specifically covered by these policies, the executive committee of the board shall be empowered to make or adjust such policies as are deemed necessary to the situation. Such decision shall be reported to the board of directors at the next regular meeting as part of the financial report.

The board of directors of the World Service Office shall exercise and retain final and absolute authority and control of the financial affairs of the corporation. The board of directors, as provided in the by-laws of the corporation, shall select a treasurer who shall have authority and responsibility to oversee the financial matters of the corporation between meetings. In the treasurer's absence, the chairperson of the board shall be empowered to perform these duties and responsibilities.

The board of directors may authorize other persons, employees and agents of the corporation under contract to perform specific duties that are outlined herein or other duties that are omitted.

The treasurer and/or executive director shall present financial reports at each meeting of the board of directors'. The report shall include a summary of income, expenditures, inventory and a reconciliation of general financial condition. Excessive or unusual expenditures shall be fully explained. The executive director shall assure that employees and agents do not obligate the corporation for more funds than are authorized by the board of directors.

The executive director will prepare a monthly financial report to all World Service Conference participants as part of the monthly work plan report. This financial statement, as well as the entire monthly work plan report will be reviewed and approved by the executive committee of the WSO Board of Directors prior to distribution to all conference participants.

The corporation shall require the staff to prepare monthly, quarterly and yearly reports for the California Franchise Tax Board, the State Board of Equalization, the Attorney General Charitable Trust Division and the U.S. Department of Internal Revenue Service, as may be needed. These reports must be signed by the executive director and/or any other staff or consultants who were responsible for the preparation of the reports. The corporation must have its financial records maintained accurately and completely at all times and be prepared to allow an unannounced audit of the books and records at any time requested or directed by the treasurer, the board or any member of the board. The

board may, at its option, require reports to be audited or reviewed by outside contract accountants or auditors.

The executive director will employ an independent certified public accountant to review WSO financial statements and consult with WSO bookkeeping staff each month to verify and finalize each month ends close of books. The CPA will then verify the entries on the staff prepared financial report prior to its being posted to the computerized accounting system. The CPA will require comprehensive supporting material for any entry which may appear questionable and for entries selected at random. All questions raised by the CPA must be addressed to the CPA's satisfaction prior to the closing of that months books. Each quarter the CPA meets with WSO's personnel manager to complete an examination of quarterly reports and supporting information to verify the quarterly payroll tax filing.

At the end of each year, the executive director will employ a CPA to complete an audit including the following actions:

1. The CPA must randomly send letters to a statistically significant sample of our vendors to verify that the information in our accounting system corresponds to the vendors records.
2. The CPA must randomly send letters to a statistically significant sample of our customers to verify that the revenue we show corresponds to the customers needs.
3. The CPA must send letters of verification to all banks where we have accounts and to locations where we have tangible assets to verify that the balance information reflected on our balance sheet is accurate.
4. The CPA must randomly sample our inventory of merchandise and our inventory of office equipment and supplies to assure the value of our inventories is accurately reported.
5. The CPA must complete a review of WSO Board of Director minutes to identify any inconsistencies between board decisions and instruction and actual office fiscal practices.
6. The CPA must review actual expenditures compared to the budgeted figures approved by the board of directors to test budget compliance.
7. The CPA must annually provide a report to the board of directors that includes an opinion letter, a balance sheet of all assets, liabilities, and fund balances, a statement of revenues and expenses and changes in fund balances, and a management letter with corrective recommendations for all areas where approved accounting procedure was not followed.

In addition to the above described annual audit, the board of directors may require any other services from the CPA that will enhance our ability to compile and present financial information in a useful manner.

The corporation shall maintain any number of checking and/or savings accounts as may from time to time be necessary. Each account established shall be authorized by corporate resolution and will include such additional detail as the respective bank or other

financial institution may require. Each resolution shall be attached to these policies and be shown in the minutes of the meeting at which it is adopted.

For the protection of the corporation insurance shall be obtained for the corporation in the form of a \$50,000 fidelity bond covering all persons handling funds or having authority to obligate the corporation. The cost of this bond shall be a responsibility of the corporation.

The WSO will provide directors \$1,000,000 of liability insurance as outlined by the director's liability insurance policy in effect. The WSO accepts full responsibility for the entire deductible stated in the director's liability insurance policy whether that deductible applies to the WSO or to individuals covered by the director's liability insurance policy.

The board of directors may from time to time authorize the executive director and/or directors to prepare contract proposals and enter negotiations for contracts with other individuals, companies and corporations. Unless otherwise specified, the board of directors must approve any contract with one company, individual or corporation that cumulatively results in expenditure or obligation of expenditure of more than \$5,000.00 in a ninety day period, except as shown below for authorized budget items and for printing services.

An accounting/bookkeeping system adequate to meet the needs of the corporation shall be developed under the direction of the executive director. The system shall provide for classifications of income and expenditures which match the budget approved by the board of directors. The system shall provide adequate support for all financial entries. The executive director shall have responsibility for preparation of all required financial reports and records. The corporation may employ such individuals as may be necessary to accomplish these tasks or may contract with outside consultants.

Authority to obligate the corporation for the future expenditure of funds shall be exercised only by direction of the board of directors or by the chairperson, treasurer or executive director when exercising their previously authorized responsibilities. Obligation of funds may be accomplished within the framework of the adopted budget or by an individual action approved by the board. The executive director may not obligate the corporation to a combination of printers or other suppliers of material or inventory items which exceed \$5,000.00 without concurrence of the treasurer or the chairperson. All such actions to obtain printing under this provision must be reported to the board of directors at the next meeting.

Disbursement of funds shall be supervised on a daily basis by the executive director and when necessary, concurrence of the treasurer and/or chairperson will be obtained. Every expenditure shall require some bill, invoice, purchase order, receipt or other evidence of requirement for the payment of funds of the corporation. These expenditure record items shall be maintained under the direction of the executive director and be available for audit at any time.

Persons authorized to sign checks are specifically prohibited from signing checks in advance that are blank or not fully complete. Each account shall use only pre-numbered checks which shall identify the corporation, the address and phone number, the account

title, the number of signatures required and any limitation on expenditure amounts. When reconciling bank statements, all check numbers must be accounted for. Checks made to "bearer" or "cash" are expressly prohibited except to replenish the petty cash account as detailed in the petty cash instructions. All completed undistributed or unclaimed checks shall be kept under lock at all times.

A comprehensive personal pay record system shall be maintained to provide all details relating to personnel actions, pay rates and salaries or other compensation paid. A record shall be maintained on each employee that reflects administrative actions including date of hire, rate of pay on date of hire, promotions, raises, demotions, reductions in salary or other compensation, hours worked, overtime, sick time, vacations and personal leave or other items which affect payments made to employees or contract consultants. A complete employee folder shall be initiated on date of hire and contain the information shown above. Changes in status of employees which affect salary or other compensation must be in writing and a copy of the memorandum must be included in the personnel file. The effective date and new rates must be shown in the memorandum.

The executive director must oversee the following payroll computation process:

1. Employees are instructed to accurately complete and sign time cards weekly.
2. Each employee's immediate supervisor must review their employees' signed time cards for accuracy and attest to the time cards accuracy by affixing their signature as the employee's supervisor.
3. The executive director may, without notifying the employee or the employee's immediate supervisor, monitor time and attendance behavior to verify it is being accurately reported.
4. The executive director may, without prior notification to the personnel manager, complete an internal audit of payroll computation in addition to the quarterly review of the independent CPA.
5. The executive director must sign all payroll checks unless the executive director is unavailable during payroll preparation. All such absences must be reported to the chairperson of the board of directors. Computation of payroll information will be completed by the personnel manager and randomly sampled for accuracy by the administration division director.

The corporation shall reimburse employees and when appropriate, other individuals for the costs related to travel in the performance of work for the office in accordance with board approved personnel or travel policies.

The policy of the corporation shall be that minimum expense shall be incurred for expenditures for supplies and equipment consistent with the needs of the corporation. Funds shall not simply be expended because there is money authorized in the budget for that field of expense. The staff is admonished to be frugal with expendable supplies within limitations imposed by other sections of this policy. When acknowledging receipt of items purchased, all invoices, statements, bills of lading, or purchase orders will be checked for accuracy.



The executive director shall not be related by blood or marriage to an owner or employee of any vendor from whom the corporation makes purchases, nor may the executive director be also employed by a vendor.

For equipment which will cost more than \$5,000.00 the executive director must obtain approval from the board of directors prior to ordering the item, or if the item is authorized in the budget, concurrence from the Treasurer or chairperson is required. Items listed on the purchase order, invoice, statement or bill that were not ordered or not received shall be noted. Items either returned or back ordered shall be noted on the purchase order, invoice, statement or bill. The supporting paperwork may then be used for the basis of issuance of checks for the material.

The copy of such invoice, purchase order, bill or statement that is to be retained by the corporation shall be annotated to include the date received, the date payment was made, the number of the check and name of the individual acknowledging receipt of the item or material. All bills, receipts or other supporting documents for which reimbursements are made must be marked in order to avoid possible use to cause duplicate payments. If the invoice, purchase order, bill, statement or such document is lost, another shall be requested and obtained from the vendor.

A yearly physical inventory of all equipment owned, leased or loaned to the corporation shall be made by the executive director. The inventory shall include detailed information on all office furniture and equipment. The inventory shall be made prior to the first of January of each year. Within thirty days, A copy of the report shall be presented to the board of directors. The inventory shall include: description, date acquired, condition at time of acquisition, cost or estimate of value (if used) and date of last inventory. A separate report shall be prepared for the board for their January meeting which shall reflect all service expenditures related to all equipment. Equipment shall not be removed from or loaned from the office unless approval is granted by the executive director, in accordance with the equipment utilization policy which is attached.

The executive director shall keep expenditures for supplies and equipment within the amounts prescribed in the budget. The executive director shall maintain sufficient records on all equipment to permit proper recording of assets in the general ledger of the corporation and to be reported on appropriate tax reports.

**PETTY CASH GUIDELINES:** A petty cash fund is hereby authorized in order to provide readily accessible money for the purpose of paying small charges which are impractical to be paid by check for reasons of timeliness, expense, or inconvenience. Petty cash funds can be replenished at appropriate intervals. Accountability for petty cash funds must be maintained at all times. It must be stressed that this is a money fund which must be accounted for in the exact manner of money in checking accounts. Payments from or reimbursement from the petty cash fund must be made according to these policies:

- A. A petty cash custodian is appointed by the executive director and that individual is directly responsible for all funds entrusted to the petty cash fund. If the petty cash custodian leaves employment of the corporation, begins vacation or an extended sick leave, the account will be audited, and a new or temporary petty cash custodian

appointed. The account is opened and replenished by issuance of a check made to "Petty Cash Account" and given to the custodian for their control. The check may not be written for an amount that exceeds \$200.00.

- B. When a cash payment is made from the petty cash fund, a receipt and/or supporting document is placed in the petty cash box. Therefore, the total of cash remaining in the box, plus the total amount of receipts therein will equal the amount authorized in the fund at all times.
- C. The petty cash fund shall not be used to obtain an individual item that has a cost in excess of \$35.00. When approximately 75% of the fund allotment has been expended the fund may be replenished. An exact accounting must be made before a check may be issued replenishing the fund. All receipts, bills, etc., that form the evidence of petty cash expenditure must be kept and the information included in required financial reports.

This financial management policy should be viewed as one of many policies that provides guidance in the administration of WSO finances. The WSO personnel policies, travel policies, World Service Conference directions, and WSO Board of Director actions all provide guidance for the management of World Service Office finances.

*Adopted June 1984*

*(1) Amended June 1987*

*(2) Amended June 1988*

*(3) Amended October 1991*

*(4) Amended December 4, 1991*

*Q:\wso\policies\finapol2.doc*



# UK SERVICE OFFICE of NARCOTICS ANONYMOUS

PO Box 1980, London N19 3LS. Telephone: 071 272 9040

Bob McDonough  
Chairperson, Board of Directors  
The World Service Office, Inc.  
Narcotics Anonymous  
PO Box 9999  
Van Nuys  
CA 91409

27th November 1991

Dear Bob

Further to our meeting in Van Nuys in October, please find enclosed the November UKSO BoD Report to the UK Service Assembly.

As requested in your letter of 20 September 1991 enclosed are samples of all IPs (no White Book sample as we are out of stock) that we print here in England. Also enclosed is our current "Where to Find".

It has been difficult to quantify exactly how many of each we have sold. However, we have calculated that since the agreement was signed we have sold approximately:

10,000 UK printed IPs @ cost of 3.5p each x 12%	= £ 42.00
2,800 White Books @ cost of 15.36p each x 12%	= £ 51.52
	-----
TOTAL	£ 93.52
	=====

We will send a cheque for the above to the ESO.

Whilst writing we would like to inform you that two motions were unanimously passed "to create one UK Region" and second "to create a joint London Region Service Committee and UK Service Assembly committee to prepare a workable plan for a UK Region for implementation at a meeting in January 1992".

Yours in service

Max Cohen  
Chair UKSO BoD

cc Joe Gossett  
George  
Becky

1-53



# UK SERVICE OFFICE of NARCOTICS ANONYMOUS

PO Box 1980, London N19 3LS. Telephone: 071 272 9040

## REPORT TO THE UK SERVICE ASSEMBLY NOVEMBER 1991

### ACCOUNTS TO 31 OCTOBER 1991

Literature Account	£ 800.97
Merchandise Account	£ 491.00
Deposit Account	£4500.00
	-----
TOTAL	£5791.97

Invoices due to be paid by the UKSO add up to approx. £3,400.

Income owed to UKSO adds up to £1436.35.

£1500 in the deposit account on hold for to the UK Service Assembly.

### BUDGET FOR 1992

The UK Service Office presents bills to the UK Service Assembly for the following:

1. Starter kits supplied outside of London
2. 30% of all London Region Office Literature Invoices
3. PI Literature sent out with no charge

Having looked over the invoices for the past year an approximate budget is outlined below:

- |    |  |
|----|--|
| 1. | Starter kits - 2 to 3 sent out per month @ £18.50 each       |
|    | 2.5 x 12 = 30 = £555 per annum                               |
| 2. | 30% of LRO literature - comes to approx. £50 every 2 months  |
|    | £50 x 6 = £300 per annum                                     |
| 3. | PI literature - approx. £35 per month (including PI posters) |
|    | £35 x 12 = £420 per annum                                    |
|    | -----  |
|    | Total per annum £1,275 per annum + approx. 10% price         |
|    | ===== rise from WSO  |
|    | (to be confirmed)  |

### QUARTERLY REPORT

#### Photocopier

In September the UKSO installed a photocopier. It is a Canon 4540 copier, which can reduce, enlarge, and collate copies up to 20 sets at a time. It also has a coding ability; thus different

1-54

committees, for example, can have their own code, so that records can be kept of how many copies each committee make.

After negotiations, the copier was leased to the UKSO at £15.27 per week, which comes to £188.00 per quarter. On top of this amount is a charge of 0.935p per copy; 1,000 copies have to be paid for in advance at a cost of £93.50. On top of these amounts is the cost of paper. Thus, the UKSO can now offer photocopying facilities to the fellowship at a cost price of 4p per copy; this covers the leasing costs, the copy costs and the paper costs.

The photocopier is a great help to the special worker; it is both time saving and cheaper than using an outside agency.

### Printing

A new printer has been found to print all anglicised NA literature (which the UKSO gets printed in the UK.) The charges are approximately 20% less than printers previously being used, and another advantage is that they are standardising all the logo on the IPs at no extra cost. The first print run of "Where to Find" and "White Booklets" to be done by this new printer will be in the UK Service Office shortly. The "Where to Find" has been put into a new format along the lines of the "White Booklet" eg it is no longer fold out, but instead is stapled in the centre. There was a very good response to the request for details of any amendments needed to be made to meeting details in the "Where to Find" so the new print run should be accurate as well.

NB Please continue to notify the UK Service Office concerning any changes that need to be made to the "Where to Find" as it is generally reprinted every three or four months.

### Merchandise News

The UK Service Office sold merchandise at both the UK Convention in Manchester, and at the Paris Convention. On both occasions about £400 worth of merchandise was sold. The black "Obsessed" T-shirt proved the most popular buy!

NB Please note that there the black "Obsessed" T-shirt does not appear on the UKSO order forms but is available, as is a badge saying "Anonymous". Also, the current stock of silver pendants are of a better quality than those previously sold (they are heavier) and so sell at £8 not £5.

### Literature News

Some new IPs are now available from the UK Service Office. There are three and the titles are as follows:

PI and the NA Member  
NA, a Resource in your Community  
For those in Treatment

1-55

Soon an NA journal will be available (a hard bound, high quality book, saying "Basic Journal" on the front with the NA symbol, and it has the steps inside the front cover and blank, lined pages), and also a small soft back book called "An Introductory Guide to NA" which includes the text of various IPs and the text of the 12 steps. The prices of these two items are not yet known.

#### Running Costs of the UK Service Office

The UKSO is almost covering its costs. In order to have a secure future, however, it needs to increase its income by at least £500 per month. With this need in mind, the special worker has been spending a certain amount of time looking for new contacts to supply literature to.

To date, all organisations that run some kind of 12 step treatment programme have been contacted and made aware of the fact that the UK Service Office can supply them with any NA literature they may require. They have also been informed that the UK Service Office can be used as an information point to answer any queries they may have concerning NA and can also supply them with free Public Information posters, and, depending on where they are situated, can be used as a liaison point to arrange PI talks.

In the near future the UK Service Office is considering approaching the National Health Service to try to carry the message through our literature sales in that domain to a greater extent than it is at the moment.

The UK Service Office intends to liaise with PI Committees about this work, so they are aware of who has been contacted, and also to find out who PI Committees have been in contact with, so that the UKSO is also aware and up-to-date.

#### Telephone Tally

The UK Service Office has dealt with an average of 130 calls per month since the last UK Service Assembly.

An approximate break down of what these calls concern is as follows:

NA Literature Orders	28%
Non NA Literature Orders	4%
General Enquiries	29%
Meeting Enquiries	9%
PI Related	8%
H&I Related	3%
Office Business	19%

#### Visits to Area Service Committee Meetings

Members of the Board of Directors continue to visit ASCs to answer questions about what the UK Service Office does, and to find out what areas would like to see the UK Service Office doing.

ASCs not yet visited are:  
Devon and Cornwall  
Colchester  
Scotland

The UK Service Office intend to visit these ASCs in the near future.

NB1 It would be helpful if the Area Service Representatives of these areas could let the UK Service Office know the venues and dates of their next ASCs.

NB2 It would also be helpful, in the interests of improving communication within the UK fellowship, if ASRs, that have not already done so, could send the UK Service Office the details of their ASC Committees eg names, addresses, telephone numbers and dates of beginning and ending of service posts.

#### Points for Discussion

##### 1. Special Worker doing UK Service Assembly Minutes

In the absence of a secretary being appointed to the UKSA the UKSO is unable to continue to finance the cost of taking and typing the minutes as this is preventing the special worker from carrying her primary task of managing the UKSO within existing resources. However, if the UKSA want to finance this service it costs:

* Special Worker Wages:	
£6.50 per hour for attendance at the UKSA	
to take the minutes (average 5.5 hours per	
UKSA or JSC)	= £35.75
* £6.5 per hour wages for typing up the	
minutes (average 4 hours per UKSA or JSC)	= £26.00
* Postage:	
Approx. 70 x 29p	= £20.30
Approx. total cost per UKSA or JSC	= £82.05

The UKSO will continue to fund the copying and will do the collating, and despatching as instructed by the UKSA in the past.

##### 2. Sales Agreement between the UK Service Office and the World Service Office

The UK Service Office Board of Directors would like to ask ASRs to gather a conscience from the UK fellowship about whether or not it gives its mandate to the UK Service Office, eg does the UK fellowship want and need to have a UK Service Office?

The reason for this request is because of a letter recently received from the World Service Office by the Board of Directors of the UK Service Office. The letter says that

the WSO may not continue to support the exclusive arrangements (that the ESO in London will not sell literature within the UK) of the current sales agreement. It goes on to say:

"What this will mean to the UKSO is dependent on how strongly the UK fellowship feels about supporting its office. The board (of the WSO) believes the responsibility for the future of the UKSO should not be primarily determined by WSO policies but more directly by the decisions of the UK fellowship.

If the UK Assembly decides that it is necessary to continue the UKSO operations and have it remain the exclusive literature distribution centre for the UK, the WSO board will gladly honour such a decision"

-----  
The letter goes on to point out that if the income of the ESO improves in the near future it will be moved out of London to somewhere on the continent.

The UK Service Office Board feel it is necessary to collect this conscience from the UK fellowship because the UK conscience about the UK Service Office does not seem to be unified at the moment. When the UKSO was originally set up there was a UK fellowship mandate for it, but that was some time ago now, and many faces have changed since then. WSO have been given different messages concerning the UKSO depending on who they have spoken to. It was felt that there is a need for the UK fellowship to be unified on this issue. Without this UK fellowship conscience the WSO cannot properly formulate its sales policy, and it is difficult for the UK Board of Directors to function.

The Board of Directors will give as much information as is requested in whatever way requested (eg written reports, special meetings etc), in order to help the fellowship make this decision, but it is considered important for the fellowship to make such requests for information and to ask the Board questions, as the responsibility for this decision lies with the UK fellowship.





# UK SERVICE ASSEMBLY of NARCOTICS ANONYMOUS

PO Box 1980, London N19 3LS. Telephone: 071 272 9040

## UK SERVICE ASSEMBLY 2ND AND 3RD NOVEMBER, BRISTOL MINUTES

### SATURDAY 2nd NOVEMBER

### UK SERVICE ASSEMBLY AND LONDON REGION SERVICE COMMITTEE OPEN DISCUSSION ON "WHERE TO GO FROM HERE"

#### Present:

Aidan - Chair UKSA	Caroline - UKSAR	Steve L - Chair Clean Times	Claire - UKSO Worker
Joe - Chair LRSC	Simon - Vice Chair LRSC	Paul - RSR	Robert - Alt RSR
Howard - NW London ASR	Denise - SW London ASR	Jim - SE London ASR	Rob - SE London Alt ASR
Zinon - NE London ASR	Clive - Tyneside ASR	Geoff - Tyneside Alt ASR	Greg - Wessex ASR
Lenny - Glasgow ASR	Penny - East Anglia ASR	Terry - West Country ASR	
Joel - Devon & Cornwall ASR	GSR from new Shrewsbury Group	Max - BoD	David J - BoD
Kumari	Brad	Wendy	Penny

Voting members present: 10 (including GSR from new Shrewsbury group)

#### Summary of Discussion

The discussion covered the same points as were covered at the Joint Steering Committee of the UK Service Assembly on September 22nd, which were minuted in detail (please refer to those minutes if fuller detail is required - copies available from the UK Service Office).

Some historical background of the evolution of the London Region and the UK Service Assembly was outlined. The disunity between these two areas of the service structure over the last year was talked about. A clear, general feeling emerged that it was now time for this disunity to be put in the past, and healed, in order to enable NA's service energy to once more be channelled into our primary purpose of carrying the message of recovery to the addict who still suffers.

London Region Service Committee members and UK Assembly Committee members voiced their willingness to let go of their service positions, if so directed, to allow change to occur, in the interests of unity and getting on with carrying the NA message.

It became clear that the London Region and the UK Service Assembly have been duplicating some work and thus wasting valuable service energy that could be used to better effect.

After a couple of hours of discussion, two proposals were made:

PROPOSAL 1: "To create one UK Region"

VOTE: 10 in favour, 0 against, 0 abstentions - motion unanimously passed.

PROPOSAL 2: "To create a joint London Region Service Committee and UK Service Assembly committee to prepare a workable plan for a UK Region, for implementation at a meeting in January 1992."

VOTE: 10 in favour, 0 against, 0 abstention - motion unanimously passed.

After these motions were passed, photographs were taken to commemorate this historic event, and the meeting was closed with the serenity prayer!



# UK SERVICE ASSEMBLY of NARCOTICS ANONYMOUS

PO Box 1980, London N19 3LS. Telephone: 071 272 9040

SUNDAY 3RD NOVEMBER

Present:

Aidan - UKSA Chair	Caroline - UKSAR	Steve L - Chair Clean Times	Claire - UKSO Worker
Rob - H & I Chair	Paul - RSR	Robert - Alt RSR	Laurence - Chair UKCNA
Barry - Vice Chair UKCNA	Howard - NW London ASR	Denise - SW London ASR	Jim - SE London ASR
Rob - SE London Alt ASR	Zimon - NE London ASR	Clive - Tyneside ASR	Geoff - Tyneside Alt ASR
Greg - Wessex ASR	Lenny - Glasgow ASR	Penny - East Anglia ASR	Terry - West Country ASR
Joel - Devon & Cornwall ASR	Max - BoD	David J - BoD	Peter
Gervais - UK Service Office V Chair	Clare	Wendy	Kumari
Brad	Francis	Many	

Apologies:

Gavin - Chair Special Events	Isabel - Treasurer	Matthew - BoD	Ruth - Vice Chair UKSA
Alan - Chair UKSA Literature			

Aidan opened the assembly. After a few moments silence Joel read the traditions.

Elections:

The Vice Chair and the Treasurer resigned and the secretary position was still vacant.

Positions Vacant: Vice Chair, Treasurer, Secretary.

- 1) Treasurer: Brad was nominated and seconded. He gave his service CV and a vote was taken: 9 in favour, unanimous. Brad was voted in as the new UKSA Treasurer.
- 2) Vice Chair: Laurence was nominated and seconded. He gave his service CV and a vote was taken: 9 in favour, unanimous. Laurence was voted in as the new UKSA Vice Chair.
- 3) Secretary: see later in minutes for details about this position.

NB In view of the decision taken on Saturday, these elections are to cover the period until January 1992 when the new UK Region will (probably!) be formed.

UK SERVICE ASSEMBLY SUB-COMMITTEE REPORTS

Public Information (see report attached to minutes).

Howard gave a report on the state of PI in London. Though PI is short on person power many talks are being given. Howard was handling enquiries from the media but was getting snowed under with this PI work. PI Paul (ex UKSA PI Chair) expressed his willingness to Howard to handle media enquiries and Howard, therefore, handed this side of the PI work over to PI Paul. Many enquiries come through from the media but most enquiries have to be turned down as it is felt that NA is not strong enough to handle the consequences of such a high level of media coverage. PI posters are being distributed (they are currently available from the UK Service Office). Howard suggested that a media committee would be a good idea as a sub-committee of the new UK Region.

Someone asked about progress of the NA PI video for the professional being made by World Service; it is apparently second priority on the World Service Conference PI Committee agenda.

It was pointed out that the letter to the professional, which is being used by various PI committees and the UK Service Office has never been ratified. Nothing further was done about this issue.

Hospitals and Institutions (see report attached to minutes).

Robert, the UKSA H & I Chair, is going abroad until Jan '92. He, therefore, resigned now, as his service time in this post will be over by the time he comes back. Robert was given a vote of thanks. He said that his Vice Chair, Haley, is willing to take over until January. He also pointed out that more people are needed to do H & I service work.

UKCNA (see report attached to minutes).

Laurence went through the financial report and pointed out the following: a surplus of £1200 exists and this is above the projection. UKCNA Fund Raising and Entertainments raised £1300, however, so the convention actually made a loss of £100. The merchandising committee made a profit of £850. Also Laurence pointed out that members of the UKCNA committee spent £1400 out of their own pockets on travel and accommodation costs etc. If this had been coming from NA the amount could be reduced to about £600. This amount will be included in the budget for the next convention so that people will not be excluded from serving on this committee due to lack of money of their own. To sum up, without F & E and Merchandising and committee member donations UKCNA5 could not have happened.

Points of information:

- \* With regards to special interest meetings, the UKSA was informed that the World Service guidelines may change with regards to this issue in a direction of allowing convention meetings to reflect the fellowship of the town/country that the convention is taking place in.
- \* 10 different letters were used by the UKCNA5 Information Committee to inform people about NA and the convention. These letters are available for use by other service committees and can be obtained through the UKCNA committee.
- \* The legal status of the UK Convention Committee was raised; concern was voiced about what would happen if a claim was made against this committee. It was suggested that perhaps insurance could be organised for this committee through the UK Service Office. This issue was not resolved but it was agreed that it needs looking into further.

Bid for UKCNA6 from Devon and Cornwall Area: (See copy of the bid from this area attached to minutes).

This bid was recommended to the UK Service Assembly by the UKCNA committee.

Discussion followed. The cost of the accommodation was talked about, and it was pointed out by the Devon & Cornwall ASR that plenty of cheaper accommodation is available close to the convention venue; details were not included in the bid but would be well circulated in the event of the bid being taken up and the convention going ahead in Plymouth. It was pointed out that the Devon and Cornwall bid committee had already succeeded in getting good price reductions but that the UKCNA committee had not yet been involved and that, therefore, further reductions might be possible. People were worried that NA members might be put off going to the convention due to the seemingly high cost. It was pointed out that no one has to pay registration etc, etc and that no NA member wishing to attend the convention would be turned away due to lack of money. People who did not have any money did manage to attend the Manchester convention. It was felt that as long as a whole range of differently priced accommodation details were clearly set out in convention flyers then all would be well. It was also pointed out that in Manchester non Parkers residents from NA could use all the hotel facilities and that this was a good bonus for those with less money to spend.

The Devon and Cornwall Bid Committee did look into having separate accommodation and convention venues. It was found that any suitable venue would cost in the region of £1000 per day and that nothing with suitable, cheap enough, accommodation close by could be found. This bid committee felt that the venue they outlined in their bid is the best possible venue in their area being physically suitable and offering a fairly good accommodation deal. This bid committee spoke to Parker's Hotel in Manchester, where UKCNA5 was held, (who were very helpful) and used the information they were given in their discussions with hotels in Plymouth. The hotel put forward in the bid is willing to be exclusively "NA" for the weekend and will accordingly close all bars so that alcohol will not be on sale. The hotel is happy to do this and are supportive of NA.

PROPOSAL: "That the UK Service Assembly accept the bid from the Devon and Cornwall Area to host UKCNA6" (which will take place on October 2nd, 3rd and 4th 1992)

VOTE: 9 in favour, unanimously passed.

It was generally voiced that the Manchester Convention was greatly appreciated and that it worked well holding the convention in a hotel. Thanks were given to the UKCNA5 committee.

#### UKCNA Elections:

UKCNA Committee elections always take place at the next UK Service Assembly after the last UK Convention.

- 1) Chair: Laurence resigned as Chair. Barry, Vice Chair, was nominated as Chair and seconded. Barry gave his service CV and a vote was taken: 9 in favour, unanimous. Barry was elected as Chair of UKCNA6.
- 2) Vice Chair: Janie was nominated and seconded for Vice Chair. Janie gave her service CV and a vote was taken: 9 in favour, unanimous. Janie was elected as Vice Chair of UKCNA6.

Elections for the sub-committees of the UKCNA6 Committee will take place at their committee meeting on Sunday 10th November, at the Service Hall, Fulham Road at 5.00pm. Particularly urgent positions vacant at this point are Treasurer and Secretary.

Board of Directors/UK Service Office (see report attached to these minutes).

A sample copy of the new format "Where to Find" was handed out. It was suggested that any ideas for future amendments to the format be put onto the samples and sent back to the UK Service Office so that they can be incorporated in the next print run. Various amendments have already been suggested and will be incorporated in the print run currently in progress.

Some ideas that came out during this discussion about the format of the "W to F" were as follows:

- \* Meetings outside London could be grouped by service area.
- \* If grouped by county, a note could be included referring reader to the other nearby counties.
- \* A map could be included with dots to show where meetings are.
- \* Meetings in Scotland would be better grouped together under a Scotland heading.
- \* Future print runs could have a page of amendments inserted to save re-formatting the entire "W to F" every time. This would best be placed at the beginning of the "W to F" so that people don't miss the amendments.

The point was raised that there is a problem with the UK Service Office being informed about meetings that have folded: often, when a meeting folds, no one takes on the responsibility of informing the office. If a meeting which folds is within a functioning NA area, it would be helpful if the ASRs could inform the UKSO if they become aware of folded meetings. When a meeting is not within an NA Area it is more difficult. Perhaps the best solution is just for NA members to be aware of this problem, and if they come across a meeting that no longer exists but is still listed in the "W to F", they could phone the UK Service Office and give the details. (It is better to have the same information given a few times than not to know about the change at all).

The Board requested that all ASRs let the UK Service Office know when their areas are meeting (if they are not listed on the "W to F" or do not have a fixed venue).

Also, the UK Service Office would like to have a list of all ASC committee members, to enable better communication. Would ASRs that have not yet submitted such a list to the UKSO please do this when they can.

#### Secretary Issue:

The position of secretary to the UK Service Assembly is a service position but, due to lack of a willing volunteer, this position has been filled for some time now by the UK Service Office special worker.

As outlined in the Board report (attached), it was put to this UK Service Assembly that the UK Service Office can no longer support the financial or time burden of doing this task freely. The cost was revised (to include tax and NI costs which had been left out of costing in Board report) to £110 per JSC/Assembly. It was pointed out that this estimate is very low - the actual cost, if done outside of NA, would be far higher.

It was pointed out that the potential merging of the London Region and the UK Assembly will free more people up for service work and, thus, hopefully a willing volunteer will be found to fill this service position within the new UK Region, if/when it comes together next year.

Meanwhile, the UK Service Assembly was asked to cover the cost of this work, or find another solution.

PROPOSAL: "That until and including the January meeting the UK Service Assembly pay the special worker to do the minutes" (at a cost of £110 per meeting).

VOTE: 8 in favour, unanimously passed.

Subsequent to this vote two volunteers came forward. They were each willing to do the minutes for one of the two meetings left uncovered eg the JSC and the January UKSA/UK Region meeting. Therefore the UK Service Assembly will only have to pay for the service provided by the UK Service Office at this, the November UKSA.

Sales Agreement with WSO:

A UK Service Office Board member was recently in the US and attended some World Service meetings. He gave the following information: the sales agreement was talked at these meetings in the US and the World Service Office currently has different sales policies for different countries and service offices; they would like to change this and have a uniform, equal sales policy. The WSO decided to refer the sales policy issue to an ad-hoc finance committee, therefore, the current sales agreement will stand for the next year until this ad-hoc committee has discussed the issue. Meanwhile, the WSO is going to implement a 10% price rise across the board, probably sometime early in the new year.

Discussion at the Assembly on the topic of literature distribution and sales:

The possibility of the UK fellowship purchasing literature from the European Service Office was raised. This could be done but then the UK fellowship would lose all the other services that the UK Service Office provides; the ESO is not in a position to be able to offer these other services. Also, it is intended to move the ESO to Europe at some point in the future. It is a possibility, however, and it is up to the UK fellowship to decide if it wants to have a UK Service Office.

The UK Service Office has been in a better financial position in the past than it is at the moment and the UK Service Office Board feel hopeful that this will be the case again in the not so distant future. Work is being done to raise the level of sales and this is beginning to happen (see report attached for more details).

It was pointed out that the UK Service Office does not have to make money; it just needs to break even and that maybe it needs to consider raising the price of literature in order to make ends meet, but that it also needs to sell literature at a fair price.

It was voiced that currently the UK Service Office provides an efficient method of reliably supplying literature to the UK. It is an environment with much potential to offer the UK fellowship.

Clean Times (see report and guidelines attached to these minutes).

The financial situation of Clean Times remains unchanged. The ad-hoc committee which was supposed to formulate guidelines didn't happen. Steve (Clean Times Chair), therefore, wrote some guidelines for feedback and approval at a later date. (See the "Clean Times Charter" attached).

The next issue of Clean Times is now being assembled. It will be a Step/Tradition 5 issue and a request was made for material (to be sent to Steve L., Clean Times, C/O UK Service Office, PO Box 1980, London N19 3LS). The Clean Times Committee has vacancies and also help is needed with typing, proof reading, illustration etc (some of this work could be done by NA members outside London); ASRs please announce these items.

Steve reported that the NE London Area has had to end its commitment to buy 100 Clean Times per issue. A possible problem is that GSRs don't seem willing to take responsibility for the sale, distribution and collection of money for Clean Times. It was also stated that if a group want to be able to buy Clean Times at their meeting then their GSR has the responsibility to enable this to happen.

The NW London Area buy as many Clean Times as it can afford of each issue. This policy arose as a result of going through the same sort of problems that the NE London Area have got into.

It was suggested that maybe the UK Service Assembly could underwrite Clean Times eg would pay printer if Clean Times could not. It was pointed out, however, that if the fellowship does not want Clean Times there is no point funding it through the UK Assembly; the fellowship either want Clean Times or they do not -if the commitment is not there then we should say goodbye to Clean Times.

The Clean Times Chair also pointed out that it is not just the London Region that funds Clean Times; areas outside of London do buy it. It is just that the bulk of Clean Times sales are in London. It is not a problem if one London area does not buy 100 copies of an issue once in a while; it would be a problem, however, if all the London Areas decided not to buy any copies of the same issue.

#### UK Service Assembly Representative

##### Report:

1. Following the joint LRSC/UKSA meeting in Bristol on the 2nd November 1991, all 10 ASRs present (out of the 14 UK ASRs) voted unanimously on the following motions:
  - i) "to create one UK Region"
  - ii) "to create a joint UKSA/LRSC committee to prepare a workable plan for a UK Region, for implementation at a meeting in January 1992"
2. There will be a European Delegates meeting in London at St Mary's Nursing Home, Page Street, SW1, on 1st and 2nd February 1992 to give input into the European Service Conference. An agenda is yet to be set. The options will certainly be looked at. Feedback on these is requested.
3. The Vice-Chair of the European Resource Group requested £100 funding towards travel to enable this group 5 meetings next quarter.

##### Discussion arising:

The UKSAR suggested that a joint memo be sent to the World Service Conference to let them know about the decisions taken yesterday. There were mixed feelings about taking this step at this point. A discussion followed, the main points of which were:

- \* An ASR felt strongly that it would be more appropriate to take the news back to Areas first for some sort of ratification before informing the World Service Conference. He felt that this step of informing WSC snatched too much of leadership.
- \* There then followed some confusion about whether yesterday's decisions were actually decisions or just an indication of willingness.
- \* Another ASR said that he felt he had a firm enough conscience from his area to move forward in the direction of yesterday's decisions. He also pointed out that, although he had no doubt that decisions had been taken on Saturday, nothing is written in stone and there is always room to change decisions if Area Conscience deems such a change necessary.

\* The point was also made that perhaps there was no harm in informing World Service of our intentions for January - that an intention and willingness has been indicated to move towards implementing a UK Region in January 1992 and that the UKSA and LRSC are to begin working towards this; they could always be updated if the situation changes.

\* The ASR from Scotland said that he felt it was important for the Scottish fellowship to understand where they fit into the service structure and that the decision to form a workable UK Region in January allows time for fellowship feedback. He felt that a one point focus and, therefore, one point of representation was what was voted on. Though this might not happen in January, he felt it reasonable in a spirit of optimism to assume it would.

\* It was voiced that perhaps it was just courteous to let WS know as we are working together in the UK now and it would be in the spirit of this unity to inform WS.

\* The discussion ended with a general consent from the ASRs that one UK region is indeed what their areas want. A formal decision was not made about writing to WS but the general feeling seemed to be not to do so just yet.

The UKSAR suggested that the next Joint Steering Committee of the UK Service Assembly be given entirely over to putting a plan together for January and that in the meantime the LRSC and UKSA Chairs get together and produce a document with a budget and other suggestions for ASRs to consider at this Joint Steering Committee. The UKSAR made the following proposal:

PROPOSAL: "Each service member from both committees (LRSC and UKSA) (and any member who held past service positions welcome) meet to:

- \* work out a budget
- \* work out working structure and job description for next year
- \* put forward discussion topics for new structure in forthcoming years"

This gives 6 weeks for this to go out to the fellowship.

VOTE: 8 in favour, 1 abstention. Motion passed.

All ASRs will need to attend the Joint Steering Committee: LRSC and UKSA Sunday 15th December, St Mary's Nursing Home, Page Street, SW1, commencing at 11.00am. Any items that ASRs or LRSC/UKSA members wish to see on the agenda should be communicated to the UKSA Chair, Aidan.

The UKSAR went on to outline what might happen at the meeting in January 1992 (25th and 26th suggested but not confirmed):

- \* vote in new structures and job descriptions
- \* vote in new trusted servants
- \* vote on new budget?

In the light of this suggestion it seemed possible that the "normal" UKSA will not need to take place in January 1992 or thereafter. In case the new UK Region does not come together at the meeting in January, however, the following proposal was made:

PROPOSAL: "That the UK Service Assembly meets the 2nd weekend in February 1992" (if necessary)

VOTE: 7 in favour, 1 abstention. Motion passed.

Other UKSAR business:

The UKSAR put a request to the UK Service Assembly from the European Resource Group for the amount of £100 funding towards travel to enable this group 5 meetings during the next quarter.

VOTE: 8 abstentions. Motion failed.

Literature Sub-Committee (see report attached to minutes).

The Chair of this committee was not able to be present at the UK Service Assembly. In his absence another member of that committee gave a brief report. A letter sent to this literature committee by the WSC was read out (see literature report for copy).

An NA member who had recently attended WS meetings in the US reported that there are some fireworks going on over there about the UK basic text. He went on to make a couple of proposals:

PROPOSAL: "That the suggested chapter on service added to the text be separated and developed as a new piece of literature"

VOTE: 7 in favour, 1 abstention. Motion passed.

PROPOSAL: "That the UK Stories not be sent out for fellowship approval but are approved by the literature committee" (in order to protect the NA members who have submitted stories)

VOTE: 9 in favour - unanimous.

The NW London ASR pointed out that his area had requested a UKSA Literature Committee member come to a NW London Area Service Meeting to go through the UK basic text draft and that this hasn't yet happened.

The SE London ASR had some question from his area for the UKSA Literature Committee:- who had asked for the revision in the first place? Who had funded the work done to date? And if it goes through, who will fund it? The following answers were given: in 1988 the UK Service Assembly Literature Committee asked if they could produce UK stories to go into a text; the ASRs at the time voted in favour of this request. With regards the funding it was answered that the work done over the years to date has not cost much - perhaps £100. If a UK Basic Text was developed, it would be printed in the US by being tacked onto a WSO basic text order (this is how the translated basic texts that already exist are produced) and it would cost the same.

The Devon and Cornwall ASR said his area had had no copies of the draft UK text. He was given some copies.

#### Ad-Hoc Office Committee

The London Region Office Committee vice chair gave some background about this committee. It is looking into two main areas: i) the help line and ii) office services. The RSR presented the report from the first office ad-hoc unity meeting which took place a few weeks ago which looked into options for the help line. The next office ad-hoc unity meeting is to take place on Saturday 9th November and will be looking into the area of office services.



11/7/91

Hello -

Greetings from N.Y.C., I've been wanting to write to you for awhile now.

I would like to make a suggestion, especially now that I'm coming up on my 2<sup>nd</sup> year clean (what a miracle!) Yes, on Dec 1, 1991, Bob & I will have 2 years clean, God willing. My suggestion is to have different color glow-in-the-dark key chains for 2, 3 and so on years clean. For me, it's so wonderful to go up for a key chain. It's just as beautiful today as it was when I was going for my 30, 60, 90 etc. I really love my key chains and take great pride in them. They mean a lot to me. I'll keep this simple, 'cause I can get carried away with writing.

Thank You Narcotic Anonymous  
for keeping me clean today

Chris in Recovery

Bob & I,

Robert Kuhlmann  
86-44 90th Street Apt. 16  
Woodhaven, New York 11421

Van Buren - 14 marks! (1-67)



**WORLD SERVICE OFFICE, INC.  
NARCOTICS ANONYMOUS**

P.O. Box 9999  
Van Nuys, CA 91409  
(818) 780-3951

November 19, 1991

Robert Kuhlmann  
86-44 90th St Apt 16  
Woodhaven, N.Y. 11421

Dear Bob:

This letter is in response to your recent correspondence dated November 7, 1991 regarding your suggestion of glow in the dark key tags with different colors depicting different years.

I have forwarded your suggestion onto the Board of Directors for the next meeting in January 1992.

If you have any other questions, please feel free to contact me.

Yours in fellowship,

Anthony Edmondson  
Division Director  
World Service Office

AE/ag

1-68

Dear WSO BOD,

We, the members of the Washington Northern Idaho Region, would like to ask your assistance in helping us put on a workshop on the 12 Concepts. One of our areas is investigating the possibility of adopting the use of the Concepts in their ASC and the rest of the region is looking for enough information to cast an informed vote on the question of accepting or rejecting the Concepts for service in N.A. we are offering to feed and lodge and post half of the round trip air fare for George H. to come share his perspective, experience and unique understanding of the 12 Concepts.

Thank you for your consideration of this request.

Your friends in the Washington Northern Idaho Region.

Vandy Anderson  
1633 34th Ave  
Seattle Wa 98122  
206-325-4463 hm  
206-346-8862 wk

WSD Inc  
Narcotics Anonymous  
PO Box 9999  
Van Nuys CA 91409

Today's Choice Group  
2700 Buchanan  
The MD 64116

Oct. 10, 1991

Dear Friends,

Enclosed you will find a flyer which represents an activity held by our group on Sept. 28<sup>th</sup> as a fund raiser to benefit the WSD. We are proud to say there was a lot of support as well as fellowship and recovery. As a result we also enclosed a check in the amount of \$353.<sup>00</sup> for the WSD.

In Loving Fellowship,

Today's Choice NA Group

HEY PARDNER...  
CHECK THIS OUT!

TODAY'S CHOICE N.A. GROUP'S  
2ND ANNUAL

# "WIRED • WEENIE • WOUNDUP"

SEPT. 28, 1991 • NOON 'TIL 9 P.M.

MACON PARK • SHELTER #2  
HOWELL STREET, N.K.C., MO.

WE GOT  
THE "HOTTEST"  
DOGS THIS SIDE  
OF ABILENE!

OPEN  
"PASS-IT-ON"  
MEET'N: 6-8PM

FUN & GAMES

NOON 'TIL 5 P.M.

- SOFTBALL
- VOLLEYBALL
- HORSESHOES
- FELLOWSHIP

FOOD: NOON-5PM  
HOT DOGS - CHIPS  
BURGERS & POP: 50¢  
POT LUCK... PLEASE BRING SIDE DISH.

ALL PROCEEDS  
TO: W.S.O.



October 23, 1991

Mr. Joe Gossett, Executive Director  
World Service Office, Narcotics Anonymous  
16155 Wyandotte Street  
Van Nuys, CA 91409

Dear Mr. Gossett:

In an increasingly litigious society, groups such as N.A. will find that more often facility owners are requiring liability coverage for use of their premises. Fundraising functions, social gatherings and business meetings require use of premises and special event coverage purchased for each event can be very expensive. By purchasing as a group, costs for coverage can be cut drastically while providing consistent quality of coverage.

Because this is a program tailored specifically for Narcotics Anonymous we are very flexible. For instance, we would be happy to do all the servicing of the certificates through our office if WSO would prefer. A \$10 per event fee would be added to the premium to cover our costs.

If WSO chooses to provide the servicing to the groups using the program themselves, and will be available to answer questions. Also, if any portion of the program is found to be a problem we have a very close working relationship with the underwriting company and they have indicated a desire to make this "your program".

If you have any questions, please give me a call. We will be looking forward to your board's feedback on this proposal.

Sincerely,

Pat Leppig  
Account Manager

PL/cc

A copy of Arthur J. Gallagher's 1990 annual report is enclosed for your information.

1-72

## NARCOTICS ANONYMOUS

### **SPECIAL EVENTS LIABILITY INSURANCE PROPOSAL**

**Carrier:** American Casualty Company (CNA)  
Best Rating A+XV

**Limits:**

Each Occurrence	\$1,000,000*
Personal and Advertising Injury	\$1,000,000
Products and Completed Operations Aggregate	\$1,000,000
All Other Aggregate	\$1,000,000
Fire Legal, Any One Fire	\$50,000
Medical Payments, Any One Person	\$5,000

\* Higher limits up to \$10,000,000 available on a "on-off" basis

#### **Terms and Conditions:**

**Policy Form:** Manuscript/Special Event Liability

**Cancellation Provision:** 30 Day; 10 day non-payment

The General Aggregate Limit of Liability will apply separately to each contracted total period of continuous use (the special event)

Policy is written in the name of the World Service office of Narcotics Anonymous. Sub-groups (regions, area service committees or local groups) using the program are added as "Named Insureds" and two Additional Insureds (Lessors/Landlords/Public Entities) may be added for NO additional cost.

A Retained (non-working) Premium Deposit is payable by the client (WSO) at inception, refundable at the end of the Policy Period, subject to a Minimum of \$1,500. At the end of each month the WSO will report the certificates issued and submit the premium collected to Arthur J. Gallagher & Co.

Sub groups will have available an easy-to-understand chart to use when planning a Special Event. To apply for a certificate they will complete a short, one-page application, compute the premium and submit their check with the application to the WSO. An appropriate amount of time should be required based on the WSO workload. Certificates of Insurance will be made available to WSO that will provide the Facility Owner/Additional Insured with the proof of coverage required.

## **SCHEDULE OF HAZARD/RISK CLASSIFICATIONS**

### **(MODERATE HAZARD/INCREASED EXPOSURE/AVERAGE RISKS)**

Animal Acts/Shows

Baseball

Bicycle Rallies

Carnivals (No Rides)

Concerts (Rock - Under 5,000)

Country Western Events

Film Productions (non action)

Karate Meets

Live Entertainment

Live Entertainment

Meetings (Outdoors)

Picnic Grounds with Pools or Lakes  
(Excluding Swimming and Diving Lessons)

Recreational Events

Ski Events

Softball

Sporting Events in Building (Non-Professional)

Tennis, Handball & Racketball Courts

Theatrical Road Shows



**SCHEDULE OF HAZARD/RISK CLASSIFICATIONS**

**(MEDIUM/AVERAGE HAZARD RISKS)**

Aerobics & Jazzercise Classes

Block Parties/Street Closures (excl. Beaches)

Concerts Outdoor (Not Rock - Under 1,500 Admissions)

Dances & Parties

Exhibitions

Exhibitions (Outdoor)

Food Concessions

Jam & Jazz Shows

Job Fairs

Marathons (Walking, Running, etc.)

Meetings (Outdoors)

Nite Club Shows

Old Timer Events

Picnic Grounds (Without Pools or Lakes)

Reunions

Rummage Sales

Sidewalk Sales

Social Gatherings (Outdoors)

Street Fairs

Swap Meets

Voter Registration

## **SCHEDULE OF HAZARD/RISK CLASSIFICATIONS**

### **(LOW/MINIMUM HAZARD RISKS)**

Antique Shows	Fashion Shows
Art Festivals	Fishing Events
Art Shows	Flower Shows
Auctions	Garden Shows
Auto Shows	Harvest Festivals
Awards Presentations	Ice Skating Parties
Banquets	Instructional Classes (Nonmechanical)
Bazaars	Lectures
Beauty Pageants	Legitimate Theater
Bingo Games	Luncheons
Boat Shows	Meetings (Indoors)
Body Building Contests	Motion Picture Theaters
Business Meetings	Musicals (Not Rock)
Business Shows	Operas
Celebrations	Operettas
Charity Benefits, Auction & Sales	Organized Sight-seeing Tours
Cinemas	Outings
Group Meetings	Overnight Camping
Classical Musical Concerts	Pageants
Conferences	Parties
Concerts - Indoors (under 1,500)	Plays
Consumer Shows	Seminars
Conventions in Buildings	Social Gatherings
Craft Shows	Social Receptions
Dance Shows	Speaking Engagements
Dinner Theaters	Symphony Concerts
Educational Exhibitions	Teleconferences
Exhibitions	Telethons
Exhibits in Buildings	Theatrical Stage Performances
Expositions - Capacity	Wedding & Receptions
	Workshops

## SPECIAL EVENT PREMIUMS

### CLASSIFICATION OF RISK

# OF PARTICIPANTS		I	II	III
(1-250)	A	100	200	300
(251-1000)	B	200	300	500
(1001-5000)	C	400	600	750
(5000 +)	D	Submit	Submit	Submit

Any unusual or hazardous risk not listed on the schedule pages should be submitted for underwriting consideration.

If event is to be held over more than one day, use 50% of the applicable premium for the additional days.

A booth at a trade show or street fair will be charged a flat \$100. (No participation or spectator level taken into consideration)

**NARCOTICS ANONYMOUS**

ARTHE J. HALLASHER & CO.

**SPECIAL EVENT LIABILITY APPLICATION**

**Sponsoring Group:**  
(region, area, local)

\_\_\_\_\_

**Mailing Address:**

\_\_\_\_\_

\_\_\_\_\_

**Contact Person:**

\_\_\_\_\_

**Telephone Number:**

(     ) \_\_\_\_\_

**Date(s) of Event:**

\_\_\_\_\_ **Time from:** \_\_\_\_\_ **to:** \_\_\_\_\_

**Location of Event:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Type of Event:**  
(meeting, dance, etc.)

\_\_\_\_\_

**Classification:**

\_\_\_\_\_

**Participation Level:**

\_\_\_\_\_

**Additional Insured(s):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please enclose premium in full with this application. A certificate of insurance will be issued to the above Additional Insureds with a copy to the contact person of the sponsoring group. Please sign the bottom of this application and submit at least one week prior to the date your certificate is required by the facility owner.

**Date of application:**

\_\_\_\_\_

**Signed:**

\_\_\_\_\_

1-78

CARTON, WITT, ARVANITIS & BARISCILLO

J. GERARD CARTON  
ROBERT V. CARTON  
GEORGE N. ARVANITIS  
GEORGE A. BARISCILLO, JR.  
JAMES D. CARTON, III\*  
THOMAS F. HEANEY, JR.  
JOHN C. CARTON\*  
STEPHEN C. CARTON  
H. FRANK CARPENTIER  
DANA C. ARGERIS\*  
MARTIN J. MCGREEVY\*  
ALBERT A. ZAGER  
MARK R. AIKINS  
K. EDWARD JACOBI  
DAVID R. LEAHY  
DAVID A. LAUGHLIN  
SUZANNE T. PITTELLA  
SUZANNE WHITE BALLOU  
KENNETH J. POTIS  
GARY L. EDELSON  
SUSAN J. F. WEISS

(DURAND, IVINS & CARTON)

COUNSELORS AT LAW

4001 ROUTE 66 AT GARDEN STATE PARKWAY

P.O. BOX 1229

ASBURY PARK, N.J. 07712

TELEPHONE 922-9500

TELECOPIER 922-1625

AREA CODE 908

JAMES D. CARTON 1895 1943  
J. VICTOR CARTON 1925 1982  
THOMAS D. NARY 1929 1985  
ROBERT R. WITT 1948 1988

MANASQUAN OFFICE

40 UNION AVENUE

P.O. BOX 367

MANASQUAN, N.J. 08736

(908) 223-1800

\*CERTIFIED CIVIL TRIAL ATTORNEY

December 5, 1991

REPLY TO: ASBURY PARK

Mr. Joseph Gossett  
Narcotics Anonymous World  
Service Office, Inc.  
P.O. Box 999  
Van Nuys, CA 91409

Re: Estate of James B. Epstein

Dear Mr. Gossett:

This letter is in response to your telephone call of November 25th regarding the above estate's \$1,000.00 bequest to Narcotics Anonymous. We have asked several family members about Mr. Epstein's possible membership in Narcotics Anonymous. Although they believed that he was a member, we have no specific proof in his records to indicate that that was the case. When I met with Mr. Epstein at the time he requested us to draft his will, he indicated that he was aware that a number of restrictions applied to the acceptance of gifts by some of the charitable organizations that he wished to benefit. I therefore assume that he was aware of the membership requirement as to your organization as well as \$1,000.00 maximum bequest but I cannot be certain.

As there is no further information that we can expect to obtain, we would appreciate it if you would advise us as to whether your organization can accept the bequest under these circumstances. If you are willing to receive the bequest, please complete the Refunding Bond and Release I previously sent you and return it to this office after it has been notarized.

Very truly yours,

*K. Edward Jacobi*

K. Edward Jacobi  
For the Firm

KEJ/sjp

cc: Mrs. Florence J. Leibin