

PPG-10

Families Anonymous, Inc.

**Transparency and Governance
Policy and Guidelines**



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Introduction

The issue of transparency in nonprofit organizations has been a major topic of discussion in the media and legislative bodies since the late 1990s. The World Service Board of Directors (WSB) of Families Anonymous, Inc. (FA), a not-for-profit corporation established in the State of California and granted IRS Section 501(c)(3) status, in an effort to ensure the continued confidence of our members, has recognized the importance of establishing and adopting such a policy and guideline. This document is the mechanism for accomplishing that goal.

More recently, California implemented the Nonprofit Integrity Act of 2004. The act, which seeks to provide oversight for larger nonprofit organizations, became effective January 1, 2005. The bill's author seeks to improve nonprofit governance, limit abuses of executive compensation, and prevent commercial fundraising abuses. The landmark legislation is purportedly designed to be similar in scope to the Sarbanes-Oxley legislation that regulates for-profit corporations.

History

In May 1972, the FA founding directors filed the initial Articles of Incorporation with the State of California. The two stated purposes of the corporation are *“to provide assistance to Member and Affiliate Groups whose objectives are to help its individual members lead a wholesome life in the adverse situations where relatives or friends may be involved with drugs”* and *“to publicize the Families Anonymous program to the general public and professional agencies so that the benefits can be made available to the greatest number of people while preserving the anonymity of the individual group members.”*¹

Families Anonymous, Inc., is guided by three major documents: the Corporate Charter, the Families Anonymous Bylaws (as amended), and the Twelve Traditions of Families Anonymous. The present transparency and governance policy is based upon all of the documents, with special attention to the last two of these.

It is recognized as a “best practice” for nonprofit organizations to adopt Transparency and Governance policies that address critical issues such as accountability, public and constituent accessibility to information and records, fairness and equity, financial management, and human resource policies including “whistle-blower” protections for employees or Board members, and insurances against conflicts of interest in all aspects of the organization.

Policy

*“We keep what we have only with vigilance. Our group experience suggests that the unity of Families Anonymous depends upon our adherence to these Traditions.”*²

The preamble of our Twelve Traditions speaks to our need to be vigilant in adhering to the Traditions that guide our program. Among the first of these is the admonition in Tradition Two to remind us that we, the members of the WSB and the Corporate Officers, are merely servants to the membership we serve. As servants, we have a fiduciary responsibility and obligation to both our members and the general public. Under IRS and California State regulations, our yearly financial records are subject to examination by any interested party. Our information should be easily accessible, accurate, and instill trust in our purpose and performance. Mistakes and failures should be acknowledged quickly, corrected, and procedures implemented to guard against future recurrences. This is very much in keeping with the guidance of Tradition Twelve, wherein we are reminded to *“place principles above personalities.”*

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1. FA Articles of Incorporation – Article II (Endorsed State of California Aug. 30, 1972)
 2. Preamble to Families Anonymous Twelve Traditions

Accountability

The WSB, through the adoption of this document, adopts a policy of accountability through the following actions:

- 1) In keeping with Article VII Section 5 of the Amended Bylaws, the Treasurer will be and is responsible for oversight of all financial matters of the Fellowship. The Article also charges the Treasurer with responsibility of chairing the Budget Committee. Together, the Treasurer and Budget Committee shall develop and present an annual budget to the WSB for adoption. The Treasurer shall report monthly the total of all income received by type (e.g., donations received, net incomes from the sale of FA literature), the totals of expenditures, and the balances for all financial institution accounts held by the corporation for the month. On a quarterly basis, the Treasurer shall provide income and expense reports, balance sheets, and guidance with respect to compliance with approved budget.
- 2) The WSB shall publish an annual report that specifically and clearly states the financial condition of the Fellowship, describes the sources of our funds, and how those funds were expended in support of specific activities. Additionally, the annual report shall provide information on the number of new groups registered, groups closed, and total active groups in the Fellowship for the previous year. This report shall be included in the WSB Chair's annual "State of the Fellowship" report at the Annual Business Meeting.
- 3) FA maintains a website that provides the members and public with access to information about the Fellowship. In keeping with the spirit and intent of transparency, the annual financial report shall be posted on the website and be readily available for inspection by members of the Fellowship and the public at large.
- 4) In an effort to avoid the appearance of impropriety or conflict of interest, the Treasurer shall not oversee his/her own work product, act in the capacity as a committee chair with other financial oversight responsibilities, or manage the daily affairs of the Corporation.
- 5) Article VIII Section 3 establishes the position of the World Service Office (WSO) Chair. The duties of the Chair are clearly defined as being the "*official liaison between the World Service Office Manager and the World Service Board, maintaining constant contact with the World Service Office and discussing with the Office Manager the hiring of help that is needed or purchases necessary to run the Office with maximum efficiency.*" This language clearly envisions a division of labor and responsibilities and was adopted with oversight in mind. This Article is consistent with "best practices" of having oversight and accountability, and the WSB should ensure that all appointments are consistent with the language of this section of the Bylaws.
- 6) It is the policy of the WSB to encourage any WSB Member, volunteer, or paid employee to feel safe against retaliation for reporting any fraud, abuse, questionable practices, or unethical behavior that may impact the Fellowship of Families Anonymous. All reports shall be investigated by a Special Committee of the WSB named by the Chair, who shall report their findings and recommendations to the entire WSB within 60 days of being convened.

Accessibility

Our public relations policy is based on attraction rather than promotion; we need always maintain personal anonymity at the level of press, radio, films, TV, and any other public or private media. We need guard with special care the anonymity of our members as well as those of other recovery programs. (FA Tradition Eleven)

A review of the minutes over the past several years shows, as a recurring theme, the disconnect between the WSB and the general membership. This very issue was addressed in the March 2009 mailing to Group Secretaries: "... As you know, when we attend our meetings we often give little thought to how FA is guided and managed." One way to address this situation is by improving the membership's ability to access and directly communicate with the members of the WSB. The following seeks to do that while still maintaining the anonymity provisions of our Traditions.

- 1) The WSB should make use of our FA internet domain and establish email addresses for each WSB Member. The addresses could either stand alone or direct the received mail to that member's preferred email address.
- 2) Open access to the FA website. The website would provide access to FA financials; IRS 990s; State Reporting forms (with personal information redacted); minutes of meetings; and PDF access, with printing restrictions, to FA literature.
- 3) A list of all committees, committee chairs, and committee members³ shall be posted on the FA website.
- 4) Utilization of improved technology to provide for convenient access to WSB meetings (podcasts, videoconferencing, teleconferencing access).

WSB Financial Management

"Every group ought to be fully self-supporting, declining outside contributions." (FA Tradition Seven)

The WSB is entrusted with a solemn duty to protect donations and the revenue generated by the sale of FA literature and to prudently use them in accomplishing our mission of carrying the message of our program. Article V of the FA Bylaws provides specific guidance regarding the acceptance of gifts, donations and bequests; the encumbrance of debt; purchases by the WSO; and the requirements for auditing the financial records of the Corporation. It is the purpose of this policy to ensure that our policies and procedures in these matters are fully transparent and beyond reproach.

- 1) Per the previously stated policy, the Treasurer is responsible for preparing and submitting to the WSB consistent, timely, and accurate financial reports on at least a quarterly basis.
- 2) The WSB hereby adopts a policy of separation of financial duties to serve as a checks-and-balances system to prevent theft, fraud, or inaccurate reporting to the greatest extent possible. Specifically, and in keeping with previously cited sections of the Bylaws, separate individuals shall hold the positions of Treasurer; WSO Office Manager or WSO Office Administrator; WSO Committee Chair; and WSB Chair. The WSB hereby adopts a policy that also disqualifies a spouse (or significant other), sibling, in-law, child, first cousin, or business partner from holding one of these offices during the tenure of his/her relative.
- 3) No relative, friend, or business associate of any member of the WSB shall serve as auditor for the Corporation. Such persons are restricted from performing any such examinations for a period of two (2) years following the last date served by the identified WSB Member.
- 4) The WSB shall adopt written financial procedures with regard to handling major expenditures, including payroll, contracts, consultants, and leases. All such procedures shall be presented for consideration and a vote by the entire WSB or FA membership, as provided in the Bylaws. All such procedures shall be executed by the Treasurer and the Budget Committee and monitored by the Financial Oversight Committee.
- 5) As part of the audit and review process, the Treasurer and Budget Committee shall assess our risks and purchase appropriate levels of insurance to prudently manage our liabilities.
- 6) The WSB strictly prohibits financial loans to WSB Members or other volunteer or paid personnel.
- 7) The WSB has a responsibility to ensure that our assets are used solely for the benefit of Families Anonymous and not for personal or other gains. In conjunction with the adoption of this policy document, the WSB shall ensure that this policy is actively enforced by the Officers of the WSB.

3. Insuring anonymity of personal information

Human Resources

Our ability to serve our members is dependent upon the effective use of the energy and talents of our volunteers and employee(s). Without their dedication and hard work, FA could not meet our mission. It is essential, if we are to continue to function, grow, and move forward, that we attract and retain qualified people. FA has previously adopted a policy entitled “Families Anonymous, Inc. Employee Policy and Procedures” (PPG-03) to deal with some of the issues involving WSO personnel. The policy set forth in the present document (Transparency and Governance) identifies additional areas to be addressed.

1. FA shall comply with all federal, state and local employment laws when hiring and employing personnel, including withholding and payment of payroll taxes.
2. FA will employ skilled individuals who are suitable for the positions they occupy and are committed to the goals, values and objectives of Families Anonymous.
3. FA will continually work to provide a safe and healthy work environment.
4. The FA WSO Chair shall consider any specific grievances brought to his/her attention by WSO personnel and shall, in consultation with the WSB, address those grievances according to organizational policy and applicable laws