

**GEORGIA REGIONAL CONVENTION, INC.AND
GEORGIA REGIONAL CONVENTION PLANNING PANEL**

RELATIONSHIPS & RESPONSIBILITIES

I. INTRODUCTION

The Georgia Regional Convention, Incorporated (GRC, Inc. or Board) is a fiduciary, “One who holds a thing in trust”. That “thing” being the convention and all its accompanying repercussions. The “trust” being that aspect of the relationship between the Georgia Regional Service Committee (GRSC) and the convention itself. The Georgia Regional Convention, Inc. is a legal entity established in order to provide insulation to the Georgia Fellowship of Narcotics Anonymous (NA) from the legal and financial implications and obligations resulting from the staging of an annual convention in the State of Georgia while providing the fiscal benefits to the Georgia Region. The staging of a convention is and should be considered a “business”. The undertaking of a convention bears heavy fiscal considerations due to the amount of money involved both in the revenue generated and the obligations entered into. The nature of a convention and the cash flows involved result in a heavy financial obligation only being able to be satisfied by the successful staging of the convention. A corporation, whose board’s seats are held mostly by those with experience in conventions, is a vehicle best able to insure the responsible and productive operation of a “business”. A corporation, such as GRC, Inc., provided for more strict and structured guidelines for fiscal considerations and a more exacting and rigorous presentation of financial matters than that which is more normally required and/or allowed in the regular service structure of NA.

Therefore, financial and legal considerations are the primary grounds for determining whether a particular duty or responsibility lies within the authority of the Board or the Convention Planning Panel (CPP). Wherever the considerations exist, procedures are established such that the Board maintains ultimate authority and responsibility. However, these procedures shall allow for much of the day-to-day working concerns to be fulfilled by the CPP with sufficient authority given to the CPP.

In the following guidelines and procedures, various duties and responsibilities are defined and assigned. In the best case scenario, these guidelines, if followed, will allow for the smooth and efficient operation of all phases of the convention. However, it is well documented that even the best laid plans run aground at times.

Many of the following policies, when enacted, will allow for a greater independence in operation of the CPP as well as greater authority given to the CPP in order to operate. Nevertheless, it is strongly emphasized that authority cannot exist without responsibility. In all areas of this document, any such authority to operate is given only contingent upon the CPP fulfilling its responsibilities as outlined in these guidelines. Where the CPP does not fulfill these obligations, authority to act in these areas will not be granted. For instance, without an approved budget for operations, each expenditure must be put forth to the Board for approval. It is understood that operating under such limitation would severely limit the ability of the CPP to do its job, however, it

again must be noted that the ultimate authority and responsibility of fiscal and legal matters rests with GRC, Inc. In addition, vacancies of seats on the CPP will not result automatically in the assumption of the duties of the vacant seats by members of the Board. It will remain the responsibility of the CPP to conduct its affairs according to approved guidelines.

In order to provide adequate financial stability for the annual Georgia Regional Convention, it is the vision of the Board for areas in the Georgia Region to participate with the annual convention by having at least one (1) function annually with the proceeds raised going to GRC, Inc. to help with the financing of the annual Georgia Regional Convention.

II. BUDGETARY AND FINANCIAL CONCERNS

A budget should be compiled as soon as possible by the Administrative Committee of the CPP and the CFO of the Board. An approved budget allows the CPP to work within the constraints specified by a budget in order to realize various goals and objectives which are important to the CPP. As soon as possible into the current CPP year, budgets detailing income, expenses, and cash flow shall be put forth to the Board for approval. Wherever possible and appropriate, a written narrative will accompany the submitted budget to outline the goals and objectives of the CPP. This narrative will allow for the thorough understanding of how and what the CPP plans to accomplish. The most important of these goals being the convention itself.

A presented budget and its accompanying narrative must be approved by the Board in whole or in part as appropriate and deemed necessary. It is by this approval that the Board transfers both the authority and responsibility to the CPP to pursue its goals and objectives. Such approval will not release any duty on the part of the CPP to provide regular reports on the progress and its monetary position with regard to the approved budget. Such information contained in these reports may at times lead to the Board, by passing of motion(s) by a 2/3 majority of voting members, to alter the CPP's budget and/or goals. These alterations will be binding on the CPP. It should be noted that any adjustments of this nature should be based on reasons of fiscal responsibility and experience rather than issues of personal preference. When issues are described in the terms of fiscal responsibility and experience the spirit of input generated by the Board in response to the presented budget, reports, and other information should allow for a certain amount of risk-taking and change if risk-taking is proposed in the CPP budget and adequately offset by moderation in other areas.

The presented budget may be approved, disapproved, or tabled. The Board, by means of motions, may adjust any part of the budget and its accompanying goals and objectives. Such changes, if passed will be binding on the CPP. Again, it should be noted that any adjustments of this nature should be based on reasons of fiscal responsibility and experience rather than issues of personal preference.

III. BUDGETARY ITEMS

1. Income:

Registrations:

Pre-convention & On-site number of expected registrations
Registration price for each group

Banquets:

Either gross or net (if gross includes expense below)

Merchandise:

Pre-convention and On-site breakdown
Types of items
Sale price for each item
Number of each item

Fundraising:

Pre-convention and On-site breakdown
Number and estimated dates of activities
Breakdown of gross receipt for each activity

Door
Raffle
Refreshments
Other

Miscellaneous:

Taping
Jewelry
Auction
Nar-Anon
Rooms
Other

2. Expenses:

Administrative
Registration
Merchandise
Hospitality
Programming
Activities
Arts & Graphics
Serenity Keeper/Security

IV. MERCHANDISE

Merchandise historically is an area that has significant impact on the financial position of the convention. Shrinkage and surplus inventory are the two items that reduce profits without any corresponding benefit to income. The problem of shrinkage can best be handled by installation of various control procedures. The problem of substantial ending inventories is handled by a structured

approach to purchases based upon both prior experience and complete awareness of potential financial consequences. The structured approach is as follows:

1. Pre-convention merchandise is the area least affected by prior years performance and offers the greatest amount of flexibility in purchase quantity. Although initial purchases of pre-convention merchandise should be no greater than the initial purchase of the prior years' pre-convention merchandise, the speed with which that initial purchase is sold will determine when the next purchase may occur.
2. New items may at times be put forth for sale. The introduction of a new item is pre-convention merchandise is the best choice. However, new items may also be introduced on-site. The following restrictions and considerations apply to both. First, purchases of new items must be minimal. Secondly, for budgetary purposes income may not be considered for any new item in excess of 10% of the cost of the purchased new items. The result of this guideline is that the cost of any new item must be considered basically only as an expense. The decision as to whether to present a new item will take into account whether a willingness exists to incur that expense. The sales of pre-convention items can alter the percentage allowed to be considered as income. However, no change of this percentage will be allowed for new items being presented on-site.
3. Purchases made for on-site merchandise will be made according to these guidelines: The maximum purchase for an item may be no more than 10% more than amount actually sold on-site for that item during the prior year's convention.

OR

Should the sales of pre-convention merchandise substantially exceed (greater than 25%) the prior year's pre-convention sales the maximum purchase for an item on-site may be increased to the percentage by which current pre-convention sales exceeded the prior year's pre-convention sales less 10%.

Justification for any percentage higher than percentages outlined in the above two circumstances cannot allow for income to be considered greater than that which would occur under the above two circumstances cannot allow for income to be considered greater than that which would occur under the above two circumstances. The result of this guideline will be that the cost for items in excess of maximum allowed will be considered solely as an expense for cash flow purposes.

4. In all cases, for cash flow purposes ending inventory will be computed as 15% of the cost of goods sold and shrinkage will be computed as 5% of the cost of goods sold.

V. VENDOR RELATIONSHIPS

The Board will provide the CPP with a list of approved vendors. The CPP may purchase items or services from the vendors on the list according to the approved budgets. Where multiple vendors are listed for each category, bid orders for items or services necessary will be presented to all approved vendors. These bid orders and the responses will be retained by the CPP and presented to the Board as part of its reporting responsibilities to the Board. These bid orders and responses

may cause the Board to alter the approved vendor list. Approved vendors will be selected for the categories listed below:

- Merchandise – (wearable and non-wearable)
- Badges
- Advertising items (i.e. magnets, pen, pencils)
- Printing
- Office Supplies
- Food Items
- Entertainment Equipment
- DJs
- Taping
- Jewelry
- Computer Related Services
- Additional categories may be added

The Board will allow a maximum of three (3) approved vendors per category for the CPP to choose from. These approved vendors must be reviewed each year (12 months from the end of the convention) or when a contract needs to be signed. The compilation of approved vendors is the responsibility of the Board and will be done during Board meetings. However, the Board will continue to rely heavily on the CPP to present potential vendors for inclusion on these lists. The following procedures will be used to present potential vendors to the Board.

1. In each category, a standard dummy order will be used to solicit bids. This dummy order will always remain the same so that proper comparisons may be made.
2. This dummy order and the responding proposals will be presented to the Board and compared with the responses to the dummy order of the approved vendors for that category.
3. The Board will maintain files for each category of dummy orders and resulting proposals.
4. The proposed vendor list may be altered to include newly presented vendors once the vendor has been approved by the Board.

Vendors are not to be present during CPP or board meetings unless the vendor is invited to make a presentation. Approved vendors cannot hold any position of the CPP or be a board member.

VI. CONTRACTUAL ARRANGEMENT

For the purpose of the CPP and Board, contracts shall be considered as a document signed by a contractor and a contractee for services rendered or to be rendered. Contractual arrangements are important and desirable in as many areas of the convention as possible. The use of contract provides more certainty in the operation of the convention.

The following contracts are the sole responsibility of the Board. Negotiations and discussions with regards to these contracts may include members of the CPP in order for knowledge and experience to be transferred:

1. Convention Hotel Sites
2. Convention Food and Beverage
3. Convention Equipment (including sound, lighting, mikes, and walkie-talkies)
4. Pre-convention activity Equipment (including sound, lighting, mikes, and walkie-talkies)

The following contracts may be entered into and negotiated by the CPP:

1. Pre-convention activity - locations
2. Pre-convention activity - DJs
3. Pre-convention activity - Food and Beverage
4. Pre-convention activity - equipment (except sound, lighting, mikes, and walkie-talkies)

These contracts may be entered into and negotiated by the CPP provided that cost resulting from such contracts fall within the approved budget and that contracts do not provide for any release or waiver of duty or liability. Any contract which requires any such release or waiver must be submitted for approval by the Board.

VII. CASH FLOWS

The CPP will provide cash flow projections for each month prior to the convention to the Board. These cash flow projections should be cumulative in nature displaying both the monthly cash position and the year-to-date (YTD) cash position. In addition, each subcommittee's budget should be compared to the actual YTD figures, including income and expenses.

Initial cash flow projections will be provided to the Board at the same time that budgets are submitted. While projected cash flows are not in and of themselves up for approval, they provide valuable information to the Board. Information put forth in cash projections may have an effect on whether or not certain policies, goals, or objectives are pursued. Over the course of the year, the actual cash flow position will be compared to these projections as part of the CPP's report to the Board. Should the actual case position substantially differ from the projections, it is expected that the CPP provide the Board a revised budget and revise case projections to conform with the actual cash position.

Pre-convention controls can/should be set by the CFO of the Board and presented to the CPP no later than one (1) month after the formation of each year's CPP.

VIII. ON-SITE CONTROL PROCEDURES

On-site control procedures will obviously change from year to year depending upon available equipment, convention site, etc. These procedures will be set from year to year by the Board, then presented and explained to the CPP no less than one (1) month prior to the convention.