

## **General Service Literature Centre Guidelines**

### **District 16 – Windsor Essex**

#### **I. Guidelines**

1. Literature Centre to be allowed to order all conference approved-literature from the Conference-Approved Literature catalogue.
2. Literature Centre to stock District 16 approved silver, gold, enamel, and bronze birthday medallions, which are to be sold at \$2.00 above Literature Centre purchase cost. Also stock meeting lists for District 16 and 23, and District 16 approved “Who Me?” pamphlets, and “If You Want To Drink” cards. Display all flyers and registration forms for conventions, roundups, and workshops which are consistent with Alcoholics Anonymous Traditions.
3. Pricing of literature will be sufficient to cover exchange, HST as stated on the A.A.W.S. Literature Order Form and operating expenses, seed monies for new stock, rent and incidental Centre expenses. Centre should be self-supporting, supplying literature at reasonable prices consistent with good business practices. Chairperson should keep a proper set of financial records for audit purposes to be taken annually at year end.  
(See II. “General Procedures” for specific pricing instructions.)
4. The Chairperson will report monthly at the District meeting regarding the financial status and overall activity of the Centre.
5. Chairperson must keep a proper set of running inventory records to ensure inventory accuracy and facilitate price-conscious order activity. The incoming Committee will take inventory at the beginning of term of office and again at mid-term. At conclusion of the term, outgoing and incoming Committee will take a final inventory. Inventory results to be reported at the District meeting.
6. The Literature Chairperson should have two years of continuous sobriety, be capable of conducting the business of the Literature Centre and shall be responsible for selecting a Committee of Alcoholics Anonymous members to assist in the operation of the Literature Centre, from which they will select an Alternate Chair. The financial institution account should have three signatories, the current Literature Chairperson, the District Committee Member, and the District Treasurer. Two of three signatures are required to process a cheque.
7. New meetings or groups wishing to be placed on the meeting lists must be established for at least three months before being considered for addition to the next printing. Literature Chair will inform PIC of any changes to meeting list, inclusive of groups that are no longer in existence.

8. The Literature Chairperson is responsible for issuing keys for the building and cabinets to the Literature Committee.
9. These guidelines are to protect us from us. They do not give us the right to buy trinkets or pens or anything sold by outside enterprises.

## II. General Procedures

Pricing: Note the inventory sheets are set up with the following formula. (The exchange rate of 15% is used in this document *as an example* of an exchange rate. However, the Literature Chairperson may make a notice of motion to increase or decrease this percentage from time to time).

1. Pricing formula. Determine list price from the U.S. literature catalogue. Multiply by exchange and GST/HST (GST/HST for books is 5%; for everything else it is 13%). Multiply by mark-up of 10%. *An example* of the calculation for a book with U.S catalogue price of \$6.50, with an exchange rate of 15% follows:

Example: If the U.S. Catalogue price is \$6.50, and if the exchange rate is 15%, the calculation will be as follows:

$$\$6.50 \times 1.15 \times 1.05 \times 1.10 = \$8.63. \text{ In this case, round up to } \$8.75.$$

(Suppose for this example that the exchange rate is 30%. Then the pricing formula would be:

$$\$6.50 \times 1.30 \times 1.05 \times 1.10 = \$9.75. \text{ So our selling price would be } \$9.75$$

For any item \$2.00 or more round up or down to the nearest .25 cents.

For any item less than \$2.00 round up or down to the nearest .05 cents.

2. For purposes of pricing inventory for audit purposes, eliminate the mark-up calculation of 1.10. So the inventory calculation is as follows:

$$\$6.50 \times 1.15 \times 1.05 = \$7.84.$$

3. There are quantity discounts that apply. Of course, this will affect the actual cost to the District. The U.S. list price is used as a standard to keep it simple. If we started to calculate our cost on each price break it would be too complicated and time-consuming for the Literature Chairperson.

Example: Hardbound Big Book U.S. price for quantities of 20 to 99 is **\$8.93**; 100 to 199 is **\$8.36**; 200 or more is **\$7.79**. All books are priced this way and there are price breaks

on the pamphlets as well. Sales of some items fluctuate dramatically from month to month and yearly and in order to operate in a businesslike manner the decisions when to order, and how many to order should be the responsibility of those we have entrusted to operate the Literature Centre.

4. The District Committee does not fund the Literature Centre. It is self-supporting. Mark-up is charged to pay the rent and other operating expenses. A mark-up of 10% is required to cover current expenses. In the event of an increase of these expenses an increase in the mark-up must be presented at the District meeting for approval. The Literature Centre should have a Prudent Reserve of \$2000.00 to cover one year's expenses (Rent, insurance, minimum inventory, etc.)

### III. Inventory Control Calculations

1. To price a part for annual inventory: Multiply the U.S. list price by the cost of exchange and GST/HST:

Pricing a Book:

Example:

$$\text{U.S. list price } \$6.50 \times 1.15 \times 1.05 = \$7.84$$

Pricing a Pamphlet:

Example:

$$\text{U.S. List price } \$0.15 \times 1.15 \times 1.13 = \$0.19$$

2. To price a part for sale: Multiply the U.S. list price by the cost of exchange and **HST** times mark-up.

Pricing a Book:

Example:

$$\text{U.S. List price: } \$6.50 \times 1.15 \times 1.05 \times 1.10 = \$8.63. \text{ Round up to } \$8.75$$

Pricing a Pamphlet:

Example:

$$\text{U.S. List price: } \$0.15 \times 1.15 \times 1.13 \times 1.10 = \$0.21. \text{ Round down to } \$0.20.$$

### IV. Divesting the Literature Center of Excess Funds at the End of the Year

The dollar value of the inventory count taken at the end of 2009 (approximately \$5200.00<sup>1</sup>) will be added to the Prudent Reserve (\$2000.00) and the Operating Account (\$2000.00) and the sum of these items be used as a benchmark in determining if there is an excess of funds (or inventory) in the Literature Centre account. If there are excess funds, they should be given to the treasurer of District 16, Windsor Essex at the March District meeting for deposit and used within the District, since it is the groups that purchased the material that contributed to those excesses. This is illustrated in the paragraph below.

Year End Inventory Value	\$5,200.00	
Prudent Reserve	\$2,000.00	
Operating Account	\$2,000.00	
<b>Total</b>	<b>\$9,200.00</b>	<b>The benchmark is \$9,200.00</b>

**Examples of Divesting Funds at Year-End:** (Year-End 2010 is used in this example, but these principles would apply to any year end as well).

<b>Example #1:</b> Year-End Inventory Value	\$5,050.00
Prudent Reserve	\$2,000.00
Operating Account	\$2,150.00
<b>Total:</b>	<b>\$9,200.00</b>

The totals are equal and if \$150.00 of inventory was purchased then all the dollar amounts would be the same as the benchmark amounts. Conclusion – there are no excess funds.

<b>Example #2:</b> Year-End Inventory Value	\$5,350.00
Prudent Reserve	\$2,000.00
Operating Account	\$1,850.00
<b>Total:</b>	<b>\$9,200.00</b>

The totals are still equal and if \$150.00 of inventory was sold then all the dollar amounts would be the same as the benchmark amounts. Conclusion – there are no excess funds.

<b>Example #3:</b> Year-End Inventory Value	\$5,350.00
Prudent Reserve	\$2,000.00
Operating Account	\$2,850.00
<b>Total:</b>	<b>\$10,200.00</b>

The totals are not equal and there is \$150.00 of excess inventory and \$850.00 excess in the Operating Account compared to the benchmark amounts. Conclusion – there are excess funds and it amounts to the excesses in both the Inventory Value and Operating Account amounting to \$1,000.00. The excess of \$1,000.00 shall be passed on to the District by the March District Meeting.

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1 This inventory should be recalculated every two years in time for the guidelines review.

<b>Example #4:</b> Year-End Inventory Value	\$7,200.00
Prudent Reserve	\$2,000.00
Operating Account	\$1,000.00
<b>Total:</b>	<b>\$10,200.00</b>

The totals are not equal and there is \$2,000.00 of excess inventory and \$1,000.00 deficit in the Operating Account compared to the benchmark amounts. Conclusion – there are no excess funds but there is excess inventory to the tune of \$2,000.00. In this situation the excess in the Literature Centre is \$1,000.00. The excess shall be passed on to the District in March and in this way there would be at least two full months to sell off the excess inventory and remain solvent after giving \$1,000.00 to the District and bringing the totals in line with the benchmark.