

# Theft of NA funds



## #30 theft of na funds

*The following paper was written in 1996 and revised in 2002 in response to a number of letters indicating that theft of NA funds is a recurring issue in our fellowship. In preparing this paper, we have relied on the experience of many groups, area and regional service committees, convention corporations, and service offices as shared with us in correspondence and at workshops on the issue. We encourage you to make use of this valuable and often painfully learned experience in your management of NA funds.*

Substantial donations are contributed by the NA Fellowship every year. These funds are given by NA members who trust that they will somehow help other addicts get clean. While this money is precious, the member's trust is even more so. We need to keep the image of that one member and that one donation in mind whenever we make decisions about handling NA's money.

Most of NA's money gets where it is supposed to go. NA members serving in positions of financial responsibility for the fellowship volunteer countless hours to make sure everything adds up. Services such as local phonelines are paid for; literature is purchased and available to members at meetings; tens of thousands of meetings take place every week in rooms for which NA pays rent. Many individual trusted servants follow guidelines and pass on funds that are used to further our primary purpose. All of these things happen because NA communities utilize responsible accounting practices.

### **SAFEGUARDING FUNDS**

Theft can be avoided by consistently and diligently following responsible financial principles and practices. The pain and conflict caused when one of our members steals from us, as well as the loss of funds that might have gone to help the still-suffering addict, point to our responsibility to prevent theft from happening in the first place.

Most theft of fellowship funds occurs when precautionary measures are not in place or are in place but not used. Some of us have hesitated to either institute or use these measures because they make us uncomfortable--we believe that they are somehow insulting to the people we ask to serve, or they seem too troublesome to follow. However, the very best safeguard against theft is to remove the opportunity to steal. It is far more uncomfortable and troublesome to deal with a theft after it has taken place than to take measures to prevent it from happening in the first place.

### **SELECTING TRUSTED SERVANTS**

Our Fourth Concept tells us how to select our trusted servants: "Effective leadership is highly valued in Narcotics Anonymous. Leadership qualities should be carefully considered when selecting trusted servants."

So what exactly are these "leadership qualities" the Fourth Concept tells us to look for? Honesty, integrity, maturity, and stability, both in recovery and in personal finances, are but a few. We often avoid asking questions regarding the financial stability of those we are considering for these types of positions, because those questions may be uncomfortable for us or we somehow feel they are inappropriate, given the spiritual nature of our program. We sometimes ignore evidence that a person is having a difficult time with his or her personal finances and should not have the additional burden of responsibility for NA's money. Not only is it okay to ask members standing for election about their qualifications in these areas, it is irresponsible not to.

Substantial clean time *and* financial stability should be required for positions where money is handled. Many NA communities have found it helpful to develop a list of questions regarding employment, service experience, experience with handling funds, and financial stability.

These questions are then asked of all nominees as a matter of course, so that people do not feel singled out based on personalities.

## **RESPONSIBLE MANAGEMENT**

*"NA funds are to be used to further our primary purpose, and must be managed responsibly."*

Our Eleventh Concept points out how very important NA funds are. In keeping with the spiritual principles of this concept, guidelines regarding the handling of funds should be developed and adhered to. The guidelines should include both recognized accounting practices and procedures that ensure the accountability of our trusted servants.

The *Treasurer's Handbook* is an excellent resource for groups and service committees to use in instituting accounting procedures. All guidelines should include appropriate safeguards, such as monthly reporting, regular audits, two-signature checking accounts, and monthly reconciliation of original bank statements. For groups without checking accounts, many of these practices can still be incorporated into the handling of NA funds.

To paraphrase one of our sayings, an addict alone with NA money is in bad company. It is critically important that all processes be monitored by another person: two people count receipts; two people make the bank deposit (and this should be done immediately, not the following day); two people reconcile the original bank statements; and most importantly, two people are always present when any funds are disbursed. Financial records should be readily available to other trusted servants. It is important to note that other assets, such as convention merchandise, literature, and office equipment, should be treated as carefully as money.

Financial procedures need to be written into guidelines to require a review and signature of those responsible for handling funds before they are put into positions of responsibility.

Members who know they will be held to standardized accounting and auditing procedures will most likely behave in a responsible manner. Include a statement that theft will not be tolerated, and outline the process that will be followed if a theft occurs. If you are unsure about how to write adequate financial guidelines, please contact the World Service Office for assistance.

### **WHEN SAFEGUARDS FAIL**

If we develop and follow these procedures, we will make it almost impossible for anyone to misappropriate or steal NA funds. If someone does steal from us, the first question we should ask is one of ourselves: Did we adhere to all of our accounting procedures and safeguards? If the answer is no, we as a service committee also bear substantial responsibility for the theft. We will want to review our procedures to ensure that they are complete and resolve to adhere to them in the future.

But suppose the answer is yes, we followed our guidelines to the letter. We did everything in our power to prevent a theft, and someone stole from us anyway. When this happens, there is often a mixture of reactions, ranging from, "Let's forgive and forget; after all, we're addicts who are prone to acting out on our disease. We don't want to run the individual out of meetings and into a possible relapse," to "Let's throw the thief in jail!" But whatever it is, we don't want our initial emotional reaction to dictate the outcome of the situation.

Our program of recovery provides every member with an opportunity to behave responsibly in difficult situations and make amends. We are closest to the spiritual principles of our program when we begin to deal with a theft by encouraging the member who has stolen funds to make amends, which can then provide healing for all involved.

This is not to say that the disappearance of NA funds should be taken lightly or that a service committee should sit and passively wait for a member who has stolen funds to be moved to make amends. We instead encourage a process that is both responsible and spiritual, taking steps of increasing severity should they prove necessary.

First of all, a thorough review of all books and financial records should be conducted to make sure the funds were actually misappropriated. How much? By whom? What failing in the accounting procedures and safeguards allowed this to happen?

If it becomes clear that money has indeed been taken, the group or service committee should then schedule a meeting, making absolutely sure the individual(s) who took the money is informed of the meeting and given the opportunity to present his or her point of view. At this meeting, there should be a format that allows time for everyone involved to express their feelings and concerns. This allows everyone to give their input and may also allow a "defusing

process" to occur. After all sides have been heard, a break in the meeting format is encouraged to allow all present enough time to get in touch with their own Higher Power and focus on spiritual principles, before coming back to decide the best course of action.

If the individual admits to the theft and agrees to pay back the missing funds, a restitution agreement can be developed. Such an agreement can include regular payments at any interval acceptable to all involved, though it is best not to drag out the process unnecessarily. Most agreements specify regular weekly or monthly payments until the full amount is repaid. We strongly suggest drafting a legally binding document, utilizing legal advice if possible, and having it signed and witnessed. Let the individual know that if the restitution agreement is not adhered to, you intend to take legal action based on the signed and witnessed restitution agreement.

A report about the situation should be published, and regular reports on the status of the restitution agreement should be published until the agreement is satisfied. Protecting the identity of the person involved is secondary to being accountable to the fellowship for its funds and ensuring that the person is not put in a position where he or she may do further harm.

Again balancing spirituality with responsibility, we have found that it is best to remove the individual from his or her service position and not consider the person for another position until he or she has dealt with the issue through the process of the steps.

If the individual does not appear at the special meeting, you will need to ensure that every effort to contact the person has been made. Use registered mail to send a letter explaining that an audit of financial records has been performed, that facts show the individual is responsible for missing money, that repayment is expected, and what the consequences will be if the individual does not respond to the letter. Copies of the letter should be put in a safe place for further reference. This may seem severe, but if the previous steps have been taken without result, sometimes something this harsh is the impetus that encourages the individual to make restitution.

If the individual refuses to repay the money, or agrees to a plan but does not follow through with the agreement, or if the person has disappeared, it may be appropriate to take legal action. The decision to take legal action is an option that does not compromise traditions or spiritual principles, but it should be our last resort, opted for only when everything else has been tried. We strongly suggest that the decision to prosecute be thoroughly explored before going ahead, using area and regional service committees and world services as resources.

#### **RESOLUTION AND RECOVERY**

Even if a successful resolution is reached, many of us will still be angry and hurt and may want to shun the person involved. Although this is understandable, we have to remind ourselves that NA's primary purpose is to carry the message to the addict who still suffers. We also need to remember that our disease will surface if we are not diligently working a program of recovery. As NA members practicing spiritual principles, we should all support the individual in continuing his or her recovery, utilizing meetings, a sponsor, and the Twelve Steps. We should offer the same love and support we would to someone who has relapsed by using drugs.

The misappropriation of NA funds affects groups, service committees, and world services in their efforts to carry the message to the still-suffering addict. The process necessary to deal with such incidents typically has long-term effects--conflict between members, disunity, disillusioned members--on any NA community, directly affecting the newcomer. The safeguards recommended in this bulletin not only protect our funds, but protect us from our disease. We implore NA communities worldwide to develop and follow procedures that protect NA funds; doing so will keep our future secure.