



St. Paul & Suburban Area Intergroup

---

August 29, 2019

XXXXXXXXXX

Hole in the Donut Group  
Roseville, MN

Greetings XXXX,

Per your query about insurance for an AA group I have researched the issue pretty thoroughly. I have contacted several parties such as:

1. The State of Minnesota Attorney General
2. Our insurance carrier for St. Paul Intergroup
3. An attorney who specializes in the insurance realm (who is also an AA member)

What I have discovered is:

- 1) The State Attorney General replied (see attached) with helpful information, some of which may be found on the aa.org website (see attached).
- 2) Our insurance carrier does not know of a way to insure an entity (AA group) that is not legally incorporated in some manner.
- 3) The attorney noted that there are 1 or 2 large insurance carriers who will insure non-incorporated entities—but that this insurance is very expensive.

I have also heard within AA that some landlords (churches for example) carry an AA group as a “ryder” on their own insurance coverage, and the AA group pays for the extra cost of this. However, the availability of this is determined by state law and the opportunity to utilize this approach varies by state.

Generally, I think that should someone decide to sue due to an injury which occurred in an AA meeting or event; and should they sue an individual AA member, that persons homeowner’s coverage would come into play. Of course, if the sued [person were someone who rents an apartment and does not have homeowner’s insurance – I am not sure how that would get resolved.

## St. Paul & Suburban Area Intergroup

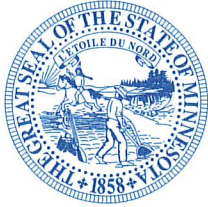
---

In a world that seems to be becoming more and more litigious, this may well be a valid concern. However, at the present there doesn't appear to be a easily available solution to this risk.

One final note, the groups meeting in clubs would in essence fall under the protection of the respective clubs insurance policy in which they meet.

Our experience at St. Paul Intergroup is that we are required to include the churches in which we hold events on a ryder of our insurance policy. In that way the church/venue avoids additional costs to their own insurance coverage.

Doug, I hope this has been helpful for you. Should you discover anything in addition to what I have shared in this communication – please let us know.



KEITH ELLISON  
ATTORNEY GENERAL

# STATE OF MINNESOTA

## OFFICE OF THE ATTORNEY GENERAL

August 22, 2019

SUITE 1100  
445 MINNESOTA STREET  
ST. PAUL, MN 55101-2128  
TELEPHONE: (651) 282-5700

Mr. Dennis Bauer  
608 – 7th Street W.  
St. Paul, MN 55102-3010

Dear Mr. Bauer:

I write in response to your e-mail correspondence dated August 8, 2019, regarding liability risks and insurance needs for A.A. groups.

Thank you for reaching out to this Office. I appreciate your concerns. While I cannot give you legal advice or advise on how an A.A. group may purchase liability insurance, I can tell you the following, which I hope will be helpful:

First, the A.A.'s General Service Office website contains some information and guidelines for A.A. groups and members in the U.S. It published a recent guideline in 2018 that discusses liability insurance. *See* A.A. Guidelines – Finance, 2018, *available at* [https://www.aa.org/assets/en\\_US/mg-15\\_finance.pdf](https://www.aa.org/assets/en_US/mg-15_finance.pdf) (page 4). Similar entities like Narcotics Anonymous have published guidelines on liability insurance for their groups as well. *See* Narcotics Anonymous World Services, USA Liability Insurance Bulletin, December 2006, *available at* [https://www.na.org/admin/include/spaw2/uploads/pdf/bulletins/Bulletin%2033\\_Jun07.pdf](https://www.na.org/admin/include/spaw2/uploads/pdf/bulletins/Bulletin%2033_Jun07.pdf). I should note that this Office did not produce these materials nor do we warrant the accuracy of the information contained in them.

Second, you and other concerned members may wish to discuss this matter with a private attorney. I recognize that retaining a private attorney is not cheap. In this case, however, I believe that a private attorney may be able to advise you as to your legal rights and potential liability. If you cannot identify an attorney to advise you, the Minnesota State Bar Association's Attorney Referral Service is available on the Internet at [www.mnfindalawyer.com](http://www.mnfindalawyer.com). I enclose our flyer, *Hiring an Attorney*, which has more information. Based upon your address, you may also identify an attorney through the local Bar Association in your area by contacting the Ramsey County Bar Association Attorney Referral Service at (651) 224-1775. If you select an attorney through the referral service, you should ask about any initial consultation fee since the fees vary.

I thank you again for your correspondence.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Hillary Taylor".

HILLARY TAYLOR  
Assistant Attorney General

Enclosure: *Hiring an Attorney*  
#4546409-v1

Toll Free Line: (800) 657-3787 • Minnesota Relay: (800) 627-3529 • [www.ag.state.mn.us](http://www.ag.state.mn.us)

♻️ Printed on 30% Postconsumer Material Paper



# A.A.® Guidelines

Finance

from G.S.O., Box 459, Grand Central Station, New York, NY 10163

A.A. Guidelines are compiled from the shared experience of A.A. members in the various areas. They also reflect guidance given through the Twelve Traditions and the General Service Conference (U.S. and Canada). In keeping with our Tradition of Autonomy, except in matters affecting other groups or A.A. as a whole, most decisions are made by the group conscience of the members involved. The purpose of these Guidelines is to assist in reaching an *informed* group conscience.

"A.A.'s far-flung Twelfth Step activities, carrying the message to the next sufferer, are the very lifeblood of our A.A. adventure. Without this vital activity, we would soon become anemic; we would literally wither and die.

"Now where do A.A.'s services — worldwide, area, local — fit into our scheme of things? Why should we provide these functions with money? The answer is simple enough. Every single A.A. service is designed to make more and better Twelfth Step work possible, whether it be a group meeting place, a central or intergroup office to arrange hospitalization and sponsorship, or the world service Headquarters [now the General Service Office] to maintain unity and effectiveness all over the globe.

"Though not costly, these service agencies are absolutely essential to our continued expansion — to our survival as a Fellowship. Their costs are a collective obligation that rests squarely upon all of us. Our support of services actually amounts to recognition on our part that A.A. must everywhere function in full strength — and that, under our Tradition of self-support, *we are all going to foot the bill.*"

Bill W., October 1967 Grapevine

One of G.S.O.'s responsibilities is to share A.A. experiences with groups and members who request it. In these Guidelines, we are glad to provide sharing from a variety of sources, though we are aware that actual A.A. practices often vary. So, if your group has found solutions other than those cited in this Guideline, please let us know, so that we may share your experiences with others.

Often-asked questions about finances directed at G.S.O. cover such topics as group rent, bank accounts and insurance; reimbursement for service workers' expenses; I.R.S. deductions and tax I.D. numbers, and the role of the General Service Board.

## WHERE MONEY AND SPIRITUALITY MIX

Members celebrate sobriety by giving time, energy and money in support of our Twelfth Step—carrying the message—the basic service that the A.A. Fellowship offers. Members assure that group expenses are paid by putting money into the basket passed at each meeting. It is each member's responsibility to support the services that have been requested by the A.A. Fellowship, to help facilitate A.A.'s vital Twelfth Step. Contributions are made in a spirit of sacrifice, and they honor A.A.'s code of "love and service." Contributions also underscore the spiritual nature of our Fellowship and our mutual love and trust. We have found that these contributions are as important to each member as they are to the service centers supported.

## SUPPORTING A.A.'s STRUCTURE

**Question: Why do A.A. groups support A.A.'s essential services?**

**Answer:** Because the services benefit all A.A. groups. Our Seventh Tradition states that "Every A.A. group ought to be fully self-supporting, declining outside contributions."

A.A.s want our Fellowship to endure, and to be readily available for the still-suffering alcoholic to come. An A.A. group makes this possible by taking care of its basic group expenses: rent, refreshments,

A.A. literature, etc. After meeting these basic group expenses and providing a meeting place, many groups participate by supporting the central or intergroup office in their locale, the area and district general service committees, and the General Service Office (G.S.O.).

**Question: How can groups participate?**

**Answer:** To help support A.A.'s essential services, the General Service Conference suggests that individual groups, through an informed group conscience, adopt a specific contribution plan tailored to meet the group's financial situation. Once the basic group expenses have been taken care of (rent, refreshments, A.A. literature, local meetings lists), and a "prudent reserve" has been set aside to cover unexpected expenses, the group may decide to further carry the message by sending money to the following A.A. service entities:

- The local district, which communicates directly with the groups, providing the district group conscience for the area assemblies, and serving as a link between the area delegates and the G.S.R.s.
- The area committee, which coordinates vital A.A. activities over a broad geographic area; sends a delegate to the annual General Service Conference; holds area assemblies to deter-

mine the needs of the Fellowship; and provides information at all levels of service.

- The local intergroup or central office, which may provide phone service for the Twelfth Step calls and other inquiries; coordination of group activities; A.A. literature sales; institutions work; public information and cooperation with the professional community activities.
- A.A.'s General Service Office, which functions as a storehouse of A.A. information, communicating with members and groups in the U.S. and Canada, and sometimes around the world; publishes A.A.'s literature; and supplies information and experience to professionals and others interested in A.A.

**Question: Doesn't all A.A. money go into one pot? In other words, when our group contributes to central office (intergroup), isn't our money distributed to the area, district and General Service Board (for G.S.O. operations)?**

**Answer:** Each A.A. entity — group, district, area, central or intergroup office, and G.S.O. — provides a specific service and is autonomous. Separate contributions need to be sent to each entity. (Note: Some local A.A. entities do pass along a portion of the contributions they receive to G.S.O.)

**Question: How do groups divide their excess funds, then?**

**Answer:** Outlines for contribution plans are described in the pamphlet "Self-Support: Where Money and Spirituality Mix." Individual groups decide based on their group conscience. For suggested contribution plans see page 5 of this Guideline.

**Question: After covering our group's expenses, we have very little money left. Isn't it embarrassing to send what seem to be just nickels and dimes?**

**Answer:** The General Service Conference has emphasized that it is not concerned about the amount each group contributes, but that each group contribute something. At a service assembly, one G.S.R. said, "It is a spiritual obligation to participate by contributing."

**Question: How do we know that G.S.O. has received our contribution and credited our group?**

**Answer:** All group contributions are acknowledged by a computerized receipt, sent to the person indicated on your contribution envelope, or to the G.S.R. if a name and address is not indicated.

Quarterly contribution statements are sent to each group's G.S.R. These statements reflect year-to-date information, whether or not the group contributed.

**Question: Our group would be glad to contribute to these various service entities, but we do not know where to send our check. Where do I find mailing addresses?**

**Answer:** If there is a central office or intergroup in your community, it will be listed in the telephone directory. (If your group does not already have an intergroup representative, think about electing one.)

Your group's general service representative (G.S.R.) probably has addresses for the area and district committees. If not, call G.S.O. for information: (212) 870-3400.

Other sources: The names and addresses of your general ser-

vice delegate and area chairperson are listed in your regional A.A. Directory.

Contributions to the General Service Board of Alcoholics Anonymous can be sent to:

General Service Office  
Grand Central Station  
P.O. Box 459  
New York, NY 10163

Please make checks payable to the "General Service Board" and write your group number on the check. Preaddressed group contribution envelopes are available from G.S.O. (See catalog/order form.)

**Question: Is it possible to make contributions online?**

**Answer:** A.A. members can also make contributions online at G.S.O.'s A.A. website [www.aa.org](http://www.aa.org) These online contributions may be made by credit card or "E-Check" from U.S. banks. Users first create a confidential user profile, which includes a user ID and a password.

While the Contributions Online site is protected by state-of-the-art encryption technology, G.S.O. suggests that members use the online contributions system from a personal computer that they own or completely control, as entering confidential personal and/or financial information on a public or shared computer can pose security risks. It is suggested, therefore, that members using computers in libraries, hotel business centers, Internet cafes and even workplace computers and computers owned by friends or acquaintances continue to make their contributions through the traditional telephone or postal methods.

## FREQUENTLY ASKED QUESTIONS

**Question: Our treasurer just ran off with the money. What should we do?**

**Answer:** Unfortunately, this sort of thing, though rare, does occur. Though legal action is always an option, most groups avoid it. In some cases, the person who stole the money will resurface and return it.

Whether or not that happens, some groups have found it helpful to hold a group conscience meeting to review the way the group's finances are being handled. Some sample questions for such a group conscience meeting might include the following: Does the group choose well in their selection of a responsible member to be the treasurer? Is the treasurer helped to an understanding of his or her responsibility as suggested in the pamphlets "The A.A. Group," "Self-Support: Where Money and Spirituality Mix," and the service piece "The A.A. Group Treasurer?" Are they holding the treasurer accountable by receiving regular financial reports and are the treasurer's records available for review at business meetings? Are excessive funds being accumulated by the group?

**Question: Our group is planning a party to celebrate its anniversary. Can we use Seventh Tradition funds to pay for the decorations and food?**

**Answer:** Most A.A. members understand that their Seventh Tradition contributions will be used to pay group expenses and Twelfth Step work. Group anniversary parties, while considered traditional and helpful by many A.A.s, are not generally regarded as Twelfth Step

work. Some groups ask their members to dig deeper into their pockets to cover a celebration. Others choose to pass a second basket. It is a matter for each group to decide, and either course would not seem to conflict with the Seventh Tradition of self-support.

**Question: Can our group accept donations from local businesses or other non-A.A. individuals or organizations? Can our group make a donation to a local homeless shelter, treatment facility, etc.?**

**Answer:** Alcoholics Anonymous accepts no outside contributions. In accordance with the Sixth Tradition, A.A. makes no contributions to any outside organization or cause, no matter how worthy.

**Question: If the facility in which an A.A. group meets cannot accept rent (such as a federal or state building), what can be done in accordance with our tradition of self-support?**

**Answer:** A group can usually contribute in some other way. For example, the group might provide equipment or furnishings for the facility, or help with upkeep.

**Question: Is it our group's responsibility to reimburse service workers for their expenses?**

**Answer:** Each group, district, area or service committee is autonomous, and each has different needs and resources. While it is certainly up to the group conscience, many A.A. members seem to agree that no one should be excluded from service because of finances. Some service workers' expenses come out of their own pockets, while others are reimbursed.

In areas holding two- and three-day assemblies, expenses of participants (G.S.R.s, D.C.M.s, etc.) are sometimes met by asking groups to contribute. Expenses for area officers are usually covered by the area treasury. *The A.A. Service Manual* includes information on the subject.

## **BANK ACCOUNTS & TAX ID NUMBERS**

**Question: Our group needs to open a bank account and we were asked for an "I.D. number." Can we use G.S.O.'s?**

**Answer:** No. More and more frequently, A.A. groups in the U.S. are being asked to supply an I.D. number to a bank when opening a checking or savings account, whether or not it is interest bearing. No local A.A. organization can use the tax-exempt status or identification number of the General Service Board of Alcoholics Anonymous, Inc., since each entity is autonomous in financial matters, as in all other ways. A tax I.D. is separate from the service number given to A.A. groups by G.S.O.

**Question: How do we obtain an I.D. number for our group checking account?\***

**Answer:** Local entities can obtain an "employer identification number" (EIN) from the IRS. To get this I.D. number, fill out IRS Form SS-4, "Application for Employer Identification Number," available at [www.irs.gov](http://www.irs.gov). This number applies even though the group is not an employer. Look for the section about obtaining an EIN for banking purposes only. The form asks if there is one group exemption number that applies to all, and there is not.

*\*This information applies to the U.S. only.*

## **TAXES, GROUP EXEMPTIONS, ETC.**

*G.S.O. is in no way attempting to give tax advice for single A.A. groups or other entities. This information relates to the United States only, and does not apply to Canada.*

Achieving tax-exempt status is different from getting an I.D. number for banking purposes. Becoming a non-profit organization recognized by the state and federal government is a process that very few groups undertake. You may want to read IRS Publication 557, "Tax-Exempt Status for Your Organizations." As rigorous reporting may be required, an accountant or tax lawyer can be helpful in the process.

**Question: What about local/state/province taxes?**

**Answer:** We suggest that you talk to people in your area who may have related experience.

Some questions we have recently received are:

- I have heard that the laws have changed and our group is automatically exempt from taxes.
- I have heard that our group should have been filing a postcard instead of a tax return.
- I have heard that because we have not filed the postcard and three years have passed we are automatically not tax exempt.
- I have heard that contributions to my group are (are not) tax deductible because we did (did not) file the postcards.
- My group does not want to take the time and expense to comply with the new rules.
- My group does not take in enough money to bother with the rules.

**Question: Can I deduct the contributions to my group?**

**Answer:** Unless your group is formally exempt — which means having gone through the full process of becoming exempt, filing the appropriate forms and paying the appropriate fees — contributions to your group are not deductible on your personal tax return.

If exemption application were not filed, donors cannot deduct any charitable contributions to an organization that is required to apply for recognition of exemption, but has not done so. (Page 20 Chapter 3 section 501 (c) 3 Organizations)

If your group's annual receipts are under \$5,000 you do not have to apply for exemption. However, if the I.R.S. has no record of the group (i.e., they did not register voluntarily for the 990-N program) then it does not seem logical that contributions can be deducted.

**Question: Are contributions to G.S.O., (The General Service Board in New York) tax deductible?**

**Answer:** Yes. The General Service Board of Alcoholics Anonymous in New York is on the list of approved tax exempt organization that are able to accept contributions under section 501 (c) 3 of the Internal Revenue Code. All the proper applications were filed and the G.S.B. was approved by the I.R.S. as a tax exempt organization able to accept contributions. The organization employs accountants and has an annual audit by outside certified public accountants and files appropriate annual tax returns with the I.R.S., which are available for public inspection.

**Question: Are contributions to my local Intergroup or Area structure deductible?**

*Answer:* You cannot make a generalization about local entities; you must ask them if they have received a letter from the I.R.S. stating that they are tax exempt.

**Question: What do groups use for articles of incorporation or bylaws? Our group is not incorporated or formally organized and it looks like the I.R.S. instructions, or banks, require such information, what shall we do?**

*Answer:* The information required by the I.R.S. calls for organizing documents. We understand that on occasion some A.A. groups or other entities have used the short form of the Traditions as their governing documents.

**Question: What should I do if my group takes in more than \$5,000 but does not think it is important to file the appropriate paper work?**

*Answer:* Try to have a discussion at a business meeting that explains that as good members of society the group should be mature enough to comply with appropriate laws.

**Question: Why have these rules changed and why must we do this?**

*Answer:* Tax rules are always evolving and will probably always continue to do so. Not-for-profit organizations (mostly charities) have received a lot of attention in the past few years, in part because some organizations abused the rules and were operating for the personal benefit of certain individuals who controlled the organizations. In addition, the tax benefit of deducting charitable donations means that the Federal government has an important interest in insuring that charities are formed, operated and dissolved in an appropriate and legal manner.

**Excerpted from I.R.S. publication 557, page 22 (Rev. October 2010)**

**Organizations Not Required to file form 1023 (application for exemption)**

Some organizations are not required to file form 1023 (application for exemption).

- "any organization (other than a private foundation) normally having annual gross receipts of not more than \$5,000."

These organizations are exempt automatically if they meet the requirements of section 501 (c) 3.

Basically, section 501 (c) 3 covers charitable, educational, religious and scientific organizations.

**Required annual filings:**

**Question: Is an organization required to file an e-Postcard (annual return) if it was not required to file an application for tax exemption?**

*Answer:* Yes, certain organizations do not have to apply for tax exemption but still have an e-Postcard filing requirement. If your organization did not file an application for tax exemption because it is a section 501 (c) 3 organization whose gross receipts in each taxable year are normally not more than \$5,000, or because it is exempt under another code section, such as 501 (c) 4, an officer of the organization should call Customer Account Services at 1-877-829-5500 (toll-free number) and ask that the organization be set up to allow filing of the e-Postcard.

An e-Post card contains the following information: Employer Identification number; Tax year; Legal name and mailing address; Any other names the organization uses; Name and address of principal officer; Web site address if organization has one; Confirmation that the organizations annual gross receipts are normally \$25,000 or less (\$50,000 for tax years ending on or after December 31, 2010); If applicable a statement that the organization has terminated or is terminating (going out of business).

There is some discussion about three years having passed since the laws changed and organizations not having filed the e-Post cards. Likely the best course of action is to call the number above and ask to have it set up now.

Organizations with gross receipts normally in excess of \$5,000 wishing to be considered tax exempt should file the appropriate paper work.

Organizations having done so with gross receipts up to \$25,000 through December 31, 2010, and up to \$50,000 thereafter may still file the e-Post card Annual Return discussed above.

Organizations having gross receipts from \$50,000 to \$200,000 may file form 990 EZ, and those with gross receipts over \$200,000 or assets more than \$500,000 are required to file form 990.

**INSURANCE**

**Question: Our landlord has asked us to provide our own liability insurance. Can G.S.O. help?**

*Answer:* No. G.S.O.'s liability insurance cannot be extended to cover local groups. A.A. groups are autonomous, and are not subsidiaries of G.S.O. Some groups cooperate with the facility where they meet by purchasing a "rider" to the facility's liability insurance policy. The group might consult a local insurance agent or attorney about liability matters.

**G.S.O.'s FINANCES**

**Question: Who manages contributions made to the General Service Board?**

*Answer:* The General Service Board of Alcoholics Anonymous, Inc. is the custodian of all contributed funds. The board's Finance and Budgetary Committee meets quarterly to review and approve G.S.O.'s budget and financial statements.

The budgeting process of G.S.O. is under the direction of the director of finance, who oversees the annual budget for G.S.O., which is reviewed by the general manager before presentation to the Finance and Budgetary Committee of the A.A. World Services Board. A.A.W.S. then forwards the budget to the trustees' Finance & Budgetary Committee, which recommends the budget to the General Service Board.

**Question: What is the General Fund?**

*Answer:* Contributions to G.S.O. by A.A. groups and members make up the General Fund, which is administered by the General Service Board. G.S.O. does not accept contributions earmarked for a specific project or service.

**Question: What is the Reserve Fund?**

*Answer:* The Reserve Fund is G.S.O.'s prudent reserve. Its principal purpose is to provide the financial resources to continue the essen-

tial services of G.S.O. and the A.A. Grapevine for up to a year in the event of an unexpected and substantial reduction in the normal revenues of the organization.

**Question: How are G.S.O.'s services funded?**

**Answer:** Approximately 80% of G.S.O. services' funding comes from group contributions, the Birthday Plan, central office/district/area contributions, and excess funds of A.A. events or conferences. The balance is made up of profits from the sale of A.A. literature.

**Question: Is there a limit to how much an A.A. member can contribute to G.S.O.?**

**Answer:** Yes. That limit is \$5,000 a year.

**Question: Can people leave money to G.S.O. in their wills?**

**Answer:** Bequests in wills are acceptable only from A.A. members, with a maximum of \$5,000 from any one person, and only on a one-time basis — not in perpetuity.

**Question: Can a non-A.A. member make a memorial contribution to G.S.O. in honor of an A.A. member who has passed away?**

**Answer:** Though G.S.O. deeply appreciates these offers, we return checks — whether they are in memoriam or otherwise — to all non-A.A.s. A.A. does not accept contributions from non-members. When we receive a memorial contribution at G.S.O., we return the check with a letter letting the individual know of our tradition of self-support. G.S.O. explains to non-members what can be one of the most baffling aspects of our Fellowship.

**Question: Are there limits on the amount of money an A.A. group or an A.A. event can contribute to G.S.O.?**

**Answer:** No.

**Question: Does G.S.O. accept contributions by credit card?**

**Answer:** Yes. You may also visit Contributions online at [www.aa.org](http://www.aa.org).

**Question: Does G.S.O. have a Recurring Contributions System?**

**Answer:** In 2014, a feature was added to the online contributions system to allow members to set up "Recurring Contributions," so that members can set up contributions to G.S.O. on a preset (by them) time table and not have to think about it.

**Question: I keep hearing about the Birthday Plan. What is it?**

**Answer:** The 1955 General Service Conference approved the Birthday Plan, under which some members of the Fellowship send \$1.00 or \$2.00 or more a year for each year of sobriety they have in A.A. Others use a figure of \$3.65, a penny a day, for each year. Some give more, but the amount cannot exceed \$5,000 for any year.

**Question: What is Gratitude Month all about?**

**Answer:** Many groups have designated November as a particular time to give thanks to the A.A. program. In 1970, as an extension of the Birthday Plan, the General Service Conference recommended that "area and state committees supplement regular group contributions by sponsoring a Gratitude Month."

For more information on finance:

"The A.A. Group Treasurer"

*Final Conference Report* (Financial Statements section)

*The A.A. Service Manual/Twelve Concepts for World Service*

Pamphlets:

"Self-Support: Where Money and Spirituality Mix"

"The A.A. Group"

"Twelve Traditions Illustrated"

"A.A. Tradition—How It Developed"

### Samples of Group Contributions to A.A. Service Entities\*

Distribution Plan of \_\_\_\_\_  
(YOUR GROUP NAME)

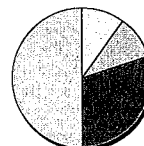
Your Group Service # \_\_\_\_\_

(Be sure to write group name and service # on all contributions.)



- \_\_\_\_% to district
- \_\_\_\_% to area committee
- \_\_\_\_% to G.S.O.
- \_\_\_\_% to intergroup or central office
- \_\_\_\_% other A.A. service entities
- \_\_\_\_% other A.A. service entities

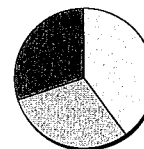
OR



- 10%** to district
- 10%** to area committee
- 30%** to G.S.O.
- 50%** to intergroup or central office

OR

If you have no intergroup/central office.



- 40%** to district
- 30%** to area
- 30%** to G.S.O.

\*From "Self-Support: Where Money and Spirituality Mix."







# Hiring an Attorney

From the Office of Minnesota Attorney General Keith Ellison

The legal system can be complex, and it can be daunting for people without legal training to navigate the legal system on their own. The following information provides tips on how to hire an attorney for people who need legal advice or representation.

## Finding an Attorney

The legal field covers many different topics. Attorneys who have experience in one field may have no experience in another field. When possible, it is best to hire an attorney with relevant experience in the area of law in which you need representation. For example, a bankruptcy attorney may not be the best person to represent you in a criminal proceeding, and a divorce attorney may not be the best advocate for you in a personal injury lawsuit.

In some cases, word of mouth may help you find a reputable, skilled attorney. If family, friends, or co-workers have hired a lawyer for a similar reason, you may wish to ask them for recommendations. You may also wish to check with the Minnesota State Bar Association or local bar associations. The Minnesota State Bar Association's Attorney Referral Service is available on the Internet at [www.mnfindalawyer.com](http://www.mnfindalawyer.com). To find out whether an attorney is properly licensed in the State of Minnesota or has been disciplined by the lawyer's regulatory board, you may call the Office of Lawyers Professional Responsibility at (800) 657-3601 or check online at <http://lprb.mncourts.gov/LawyerSearch/Pages/default.aspx>.

(Please note that the Minnesota Attorney General's Office cannot provide legal advice to individuals in private legal matters.)

## Hiring an Attorney

When you find an attorney you want to hire, be sure that you have a clear understanding of the scope of the attorney's representation. It is important to discuss with the attorney how the attorney plans to do his or her job for you. Depending on the nature of the case, some areas you may wish to discuss with your attorney include what information you are required to provide, your various strategic options, and the total cost (see below for more information on fees). It is important that you be honest and realistic about the facts of your situation and any concerns you may have. If at any point you are unclear on what the attorney is doing, ask for clarification. You should be comfortable with the way your attorney handles your case.

## Different Approaches on Fees

There are different ways for you to pay an attorney. For example, attorneys may charge an hourly rate, a flat fee, or a contingency fee. Each type of fee is discussed in greater detail below. Before you hire an attorney, make sure you have reached a clear agreement—in writing—about how the attorney will be paid and the fees and costs to be charged.

## Hourly Rates

Many attorneys charge an hourly rate for their services and that of their colleagues in their law firm. Your final cost will depend on how long it takes to complete the work. There is no standard hourly rate; rather, attorneys rates vary according to the particular attorney's expertise, experience, and the particular issues pertaining to your situation. An experienced attorney may charge a higher hourly rate, but may complete the work more quickly. Because the hours worked on your case can quickly add up, you should ask for an estimate of the number of hours necessary to complete your case.

### Contingency Fees

In some types of cases, such as personal injury or medical malpractice cases, your attorney may agree to work on a contingency fee. A contingency fee means that your attorney gets a percentage of whatever money you receive as a resolution of your case, but does not get paid if there is no recovery. The contingency fee percentage may be negotiable. Contingency fees, however, are not available for all types of legal matters.

### Costs

A cost is incurred when your attorney pays money in connection with your case. Examples of costs include court filing fees, money paid to obtain documents such as medical records or professional evaluations, photocopying charges, or postage. Costs are not the same as fees, and usually are separate from any contingency fee arrangement you may have with your attorney. Many attorneys will agree to costs being paid out of your share of any proceeds from your case. Be aware that most attorneys will require you to pay costs regardless of the outcome of your case. In other words, if you lose the case, you may still owe money to the attorney for costs.

### Flat Fees

A flat fee is a set dollar amount that you pay an attorney for a particular service, like writing a will. If your attorney charges a flat fee, be sure to find out exactly what the fee includes.

### Retainers

Some attorneys who work on an hourly rate or charge a flat fee may require you to pay an advance retainer fee before they start work. Retainers are particularly common in some areas of law, like criminal defense work. A retainer is a fee paid up front. A lawyer may use the retainer as a down payment on future expenses and fees. The terms of the retainer should be clearly laid out in your written agreement with the attorney.

### Legal Aid Services

Legal Aid attorneys work in all regions of the state and provide free legal representation to people with limited income and assets. Legal Aid attorneys are funded by donations and government payments. Not everybody qualifies for free legal work from Legal Aid attorneys;

rather, only people with limited income and assets qualify. To find out if you may qualify for free services from a Legal Aid attorney, you can contact the following groups:

#### **Southern Minnesota Regional Legal Services**

St. Paul Central Office  
400 Alliance Bank Building, 55 East 5th Street  
St. Paul, MN 55101  
(651) 222-5863 or (888) 575-2954  
[www.smrls.org](http://www.smrls.org)

#### **Central Minnesota Legal Services**

430 First Avenue North, Suite 359  
Minneapolis, MN 55401  
(612) 334-5970  
[www.centralmnlegal.org](http://www.centralmnlegal.org)

### Pro Bono Attorneys

In some cases lawyers are willing to provide legal services for free (called "pro bono"). One organization that matches low income clients with lawyers willing to provide free civil (not criminal) legal services is:

#### **Volunteer Lawyers Network**

600 Nicollet Mall, Suite 390A  
Minneapolis, MN 55402  
(612) 752-6677  
Fax (612) 752-6656

### Public Defenders

If you have been charged with a crime, you may be entitled to the services of a Public Defender, who provides legal representation to indigent defendants in criminal cases. Minnesota Public Defenders are coordinated and funded by the Board of Public Defense. At the state level, each of the nine judicial districts have at least one full-time Public Defender office, which is supervised by a Chief Public Defender for the district. There are also independent public defense offices serving minority communities in Cass Lake, White Earth, Duluth, Minneapolis, and St. Paul. At the federal level, the Federal Defender provides representation to indigent criminal defendants charged with federal crimes. The Federal Defender is authorized and funded pursuant to the Criminal Justice Act.

## Statutes of Limitation

If you think you have a legal claim that you wish to pursue through a lawsuit in court, you should not delay in speaking with an attorney. All civil legal claims have applicable statutes of limitation. A statute of limitation is a deadline for filing a legal claim. The deadlines vary depending on the nature of the claim. If a person does not bring a lawsuit before the statute of limitations expires, the claim may be forever barred. In addition, some types of legal claims may require you to follow certain procedural steps before you are entitled to bring a lawsuit in court. If you have a problem for which you want to file a civil lawsuit, it is in your best interest not to delay in speaking with a qualified attorney. The attorney can advise you on the applicable statutes of limitation within which you must file your claim and any procedural steps you must follow before you file a lawsuit.

## Fee Disputes

Despite the best planning, people may sometimes have a dispute with their attorney after-the-fact about the appropriateness of the fees that were billed. District bar associations maintain fee arbitration panels to hear and resolve such fee disputes. For more information about fee arbitration panels in your region of the state, you may contact the Minnesota State Bar Association at (800) 882-6722 or visit its website at [www.mnbar.org](http://www.mnbar.org).

## Beware of Scammers Posing as Attorneys

While the rules to practice law vary in each state, generally speaking, a lawyer must graduate from a law school and be licensed to practice law by a state body. Once again, to find out whether an attorney is authorized to practice law in Minnesota, you can contact the Office of Lawyers Professional Responsibility at (800) 657-3601 or check online at <http://lprb.mncourts.gov/LawyerSearch/Pages/default.aspx>. Make sure the lawyer you hire is a real attorney. In this Internet Age, some scammers may hold themselves out as licensed attorneys who work for low prices, but they do not even have a law degree. Other scammers may pretend to be

attorneys but, after the consumer pays an up-front fee, the scammer simply sends the consumer boilerplate forms to use.

## Watch Out for Out-of-State Attorney Mills

In other cases, out-of-state lawyers who are not licensed in Minnesota may run high-volume legal mills in which they purport to help people with mortgage modifications, debt assistance, or other matters. The attorneys may charge consumers thousands of dollars in advance fees for help with their mortgage, credit card debt, etc. After the attorneys get the money, however, they may provide little to no help, making a bad financial situation even worse.

## If Things Go Wrong

Minnesota-licensed attorneys must adhere to certain ethical standards. The Office of Lawyers Professional Responsibility is the agency with authority to investigate and handle complaints of ethical misconduct by attorneys. If you feel that an attorney's misconduct warrants an investigation, you may contact the Office of Lawyers Professional Responsibility as follows:

### Office of Lawyers Professional Responsibility

1500 Landmark Towers

345 St. Peter Street

St. Paul, MN 55102

(651) 296-3952 or (800) 657-3601

If you have a problem with an attorney in another state, the Office of Lawyers Professional Responsibility should be able to refer you to the proper regulatory agency.