



FY 2018 APPROVED BUDGET
Oct. 1, 2017 through Sept. 30, 2018

GENERAL (UNRESTRICTED) FUNDS
2018 Approved Budget Notes by Line Item

PLEASE NOTE

Burlington Meeting House is not in the 2018 budget. Annual Sessions approved the transfer of ownership of the BMH property from PYM to Burlington Quarter. The transfer is expected to take place before the end of the fiscal year. As the new property owner, Burlington Quarter will pay BMH insurance next year, instead of PYM.

Restricted funds, where income is restricted by purpose, are not in the general fund budget.

We have moved more than \$90,000 in planned 2018 expense from the general fund budget into the restricted fund budget. Ever since the Arch Street Meeting House Preservation Trust was organized to preserve, operate and interpret the historic Arch Street Meeting House, it has been PYM's strategic goal to cover more costs, especially around Arch Street, with dedicated revenue from grants, restricted fund income, and the Preservation Trust's own fundraising efforts. It's working! Arch Street will benefit from a generous three-year matching grant from the SNAVE Foundation and from a major restricted bequest that will support salaries for its maintenance staff. PYM has known of the bequest since 1979, but funds only became available after the death of the last life tenant.

Overall salaries and wages for **youth programs have been budgeted higher in 2018**. There is no reduction in planned youth program activity.

Professional and Service Fees in FY 2017 include approximately \$100,000 in one-time matters, a historically high number. Approximately half represents expensed costs for a consulting arrangement to implement the membership database that did not result in a usable product. Work to accomplish the original objective is now under contract with a new consultant. The other half represents legal fees on various matters, including a significant and successful effort to secure a substantial restricted bequest, work on the Burlington Meeting House conveyance, and various other one-time legal matters.

INCOME AND FUNDS AVAILABLE

Line 1, Support from Meetings

Monthly meetings are expected to contribute about \$1.2 million in FY 2017. Covenant is our single largest source of revenue and PYM is deeply grateful for meeting support. The 2018 budget is flat. We believe it stresses some of our meetings when PYM asks for a covenant increase every year. We hope the meetings that can afford to increase their Covenant amounts will choose to give more.

Line 2, Arch Street Visitor/Property Support

Visitor contributions at Arch Street are budgeted higher, reflecting an increased number of visitors and an enhanced visitor experience.

Line 3, Unrestricted Bequests

Unrestricted bequests have a placeholder number in the FY 2018 budget. Year-to-date, PYM has received an above-average level of unrestricted bequests.

Line 4, Support from Individuals

Support from individuals is trending higher, despite the death of a major donor. More Friends are contributing and the expectation for FY 2017 is now \$350,000. The budget for FY 2018 is \$375,000. PYM warmly appreciates a gift of any size.

Line 5, Total Contributions Income

FY 2018 Contributions income represents 54% of Total Funds Available.

Line 6, Funds Held at Friends Fiduciary

Of our general funds held at Friends Fiduciary, PYM is trustee for 25% of them and Friends Fiduciary for 75%. Friends Fiduciary distribution rate is 4.0% in calendar 2017, down from 4.25% last year. The new rate applies to the June distribution in second half of FY 2017 and both distributions in FY 2018.

Line 7, Funds Held at Third-Party Banks

Third-party banks hold funds for PYM as trusts (PNC) and as private foundations (BNY Mellon and Wells Fargo). PNC pays a 4.5% distribution rate; the private foundations distribute 5.0% (before bank fees). We are estimating a slight increase in FY 2018 income.

Line 8, Event and Program Fees

Includes fees from Annual and Continuing Sessions and from other programs and events.

Line 9, Administrative Fees, including on Restricted Funds

PYM's restricted-purpose funds pay an admin fee based on their principal value at Friends Fiduciary. The FY 2018 fee will be calculated on the Consolidated Fund's June 30 unit value of \$50.64.

Line 10, Total Funds Available

Budgeted to increase by 1.9%, excluding unrestricted bequests, and to decline 2.2%, if unrestricted bequests are included.

EXPENSES

Line 11, Staff Salaries and Wages

There is no reduction in planned youth program activity. Overall salaries and wages for youth programs have been budgeted higher in 2018, not lower. PYM adjusted some salaries in March to align those staff positions with nonprofit averages in the Philadelphia region. Apart from those salary adjustments, the General Secretary's staffing changes are still being implemented with little impact on FY 2017. FY 2018 salaries include a modest cost of living increase, effective October 1.

Some Line 11 expenses moved to the restricted fund budget for FY 2018. The Arch Street Meeting House Preservation Trust will pay full costs for two PYM employees next year, one full-time and one part-time. In addition, PYM will have income from a new restricted fund to put toward maintenance staff salaries at Arch Street.

Line 12, Payroll Taxes and Benefits

Budgeted 12.7% higher to cover estimated health care premiums for calendar 2018 and pension contributions. Pension costs are budgeted higher for a second year to comply with increases in IRS mortality tables, which are now fully in effect. This line also includes staff travel and training.

Line 13, Total Staff Expenses

Budgeted to increase 5.0%.

Line 14, Volunteer Expenses

Increased by \$2,700 or 16.9%.

Line 15, Contributions to Others

Contributions made to outside organizations, mainly to other religious groups such as FGC, AFSC, FCNL, FWCC and the National Council of Churches with general funds provided by the Chace Fund.

Line 16, Event and Program Expense

Line 16 is budgeted 3.7% lower in total. It covers a range of programs, including Annual Sessions and Continuing Sessions. The Quaker Life Council has funding under a QLC Program Envelope to support collaboratives, programs and events. The Quaker Life Council has accumulated designated income and is receiving restricted income next year, reducing the need for general funds. Youth program spending is budgeted higher. Costs for communications (*Faith in Practice*, *PYM Today Online*, PYM website) have been running below budget and are expected to continue at that level.

Line 17, Professional and Service Fees

For FY 2018, budgeted expenses of \$88,000 include normal and typical fees for the audit, payroll services, bank services, credit card processing fees to support online giving to PYM and the monthly meetings, and routine consulting and legal work.

Line 18, Copying, Printing and Postage

Budgeted higher for next year, but lower than in past years thanks to increased electronic communications and changes in print vendors.

Line 19, Rent (Friends Center Expenses and other)

This line includes the Friends Center rent budget and other record storage charges. PYM is one of three equity partners in Friends Center with the AFSC and Central Philadelphia Monthly Meeting.

Line 20, Utilities

Utilities include gas, electric and water at the Arch Street Meeting House and telephone service at PYM's offices and Arch Street. We have budgeted for a normal winter in 2017-2018. This past winter was warm and current year spending is below budget.

Line 21, Office Supplies and Support

Includes all office supplies and miscellaneous administrative expenses.

Line 22, Computer Support and Licenses

Includes PYM computer support provided by the AFSC, annual computer licenses and routine accounting software support.

Line 23, Insurance

Property and liability insurance, reduced for Burlington Meeting House.

Line 24, Repairs and Maintenance

Includes maintenance contracts for cleaning, equipment and grounds at Arch Street.

Line 25, Fixed Asset Depreciation

Calculated from depreciation schedules for Arch Street and depreciable equipment at PYM's offices. It does not include the Burlington Meeting House. The new membership database will be depreciated beginning in 2018.

Line 26, Total Expenses

Budgeted to increase by 1.1% from the preliminary estimate of total expenses for FY 2017.

Line 27, Net Income Available

PYM exhausted its reserves in the 2012 financial crisis. To "refill the granaries" and reach a goal of \$1.2 million in the Operating Reserve fund, PYM has used surplus budgets, providing cash that could be added to the fund each year. The Operating Reserve now stands at \$1.09 million or 91% of goal.

FY 2018 is expected to show a modest surplus. We continue our two-pronged strategy to manage costs and to boost restricted revenue from grants and from the dedicated work of the Arch Street Meeting House Preservation Trust.

Line 28, Number of Full-time Equivalent Employees (FTEs)

PYM employees whose salary and benefits are paid by the general fund, in whole or in part, are included in PYM's count of full-time equivalent employees or FTEs. When the funding for salary and benefits is entirely covered by grants, the PYM employee is not counted as an FTE. PYM expects the number of FTEs to remain at 21.8 in FY 2018.

Line 29, Average Total Expense per Month

Total expenses in Line 26 divided by 12.

Questions or comments?

Andrew Anderson, Treasurer

andrewbanderson@hotmail.com

Linell McCurry, Associate Secretary for Business & Finance

lmccurry@pym.org

215-241-7205

**FY 2018 Approved Budget
General (Unrestricted) Funds**

Annual Sessions 2017

All Periods are 12 Months		Fiscal Year Sept. 30, 2017 Preliminary	Fiscal Year Sept. 30, 2018 Approved Budget	Dollar Variance Prelim. 2017 to Approved 2018	Percent Variance Prelim. 2017 to Approved 2018
INCOME AND FUNDS AVAILABLE					
1	Support from Meetings	1,200,000	1,200,000	0	0.0%
2	Arch Street Visitors/Property Support	10,000	15,000	5,000	50.0%
3	Bequests (through June 30, 2017)	140,360	50,000	-90,360	-64.4%
4	Support from Individuals	350,000	375,000	25,000	7.1%
5	Contributions Income	1,700,360	1,640,000	-60,360	-3.5%
6	Funds Held at Friends Fiduciary	455,000	445,000	-10,000	-2.2%
7	Funds Held at Third-Party Banks	355,000	360,000	5,000	1.4%
8	Event and Program Fees	225,000	215,000	-10,000	-4.4%
9	Administrative Fees, including Restricted Fds	347,500	355,500	8,000	2.3%
10	TOTAL FUNDS AVAILABLE	3,082,860	3,015,500	-67,360	-2.2%
EXPENSES					
11	Staff Salaries and Wages	1,237,000	1,254,107	17,107	1.4%
12	Payroll Taxes and Benefits	587,150	661,990	74,840	12.7%
13	Total Staff Expenses	1,824,150	1,916,097	91,947	5.0%
14	Volunteer Expenses	16,000	18,700	2,700	16.9%
15	Contributions to Others	35,500	35,500	0	0.0%
16	Event and Program Expense	265,000	255,100	-9,900	-3.7%
17	Professional and Service Fees	160,000	88,000	-72,000	-45.0%
18	Copying, Printing and Postage	45,000	51,000	6,000	13.3%
19	Rent	279,750	287,500	7,750	2.8%
20	Utilities	41,000	46,000	5,000	12.2%
21	Office Supplies and Support	21,000	22,100	1,100	5.2%
22	Computer Support and Licenses	57,000	54,100	-2,900	-5.1%
23	Insurance	42,000	31,000	-11,000	-26.2%
24	Repairs and Maintenance	46,000	49,000	3,000	6.5%
25	Fixed Asset Depreciation	115,000	125,000	10,000	8.0%
26	TOTAL EXPENSES	2,947,400	2,979,097	31,697	1.1%
27	NET INCOME AVAILABLE	135,460	36,403	-99,057	NA
28	No. Full-time Equivalent Employees (FTEs)	21.80	21.80	0	0.0%
29	Average Total Expense per Month	245,617	248,258	2,641	1.1%

Three-Year Budget Framework 2018-2020
General (Unrestricted) Funds

Annual Sessions 2017

All Periods are 12 Months		Sept. 30 FY 2017 Preliminary	Sept. 30 FY 2018 Approved Budget	For Information Sept. 30 FY 2019 Budget	For Information Sept. 30 FY 2020 Budget
INCOME AND FUNDS AVAILABLE					
1	Support from Meetings	1,200,000	1,200,000	1,200,000	1,200,000
2	Arch Street Visitors/Property Support	10,000	15,000	17,000	20,000
3	Bequests	140,360	50,000	50,000	50,000
4	Support from Individuals	350,000	375,000	380,000	385,000
5	Contributions Income	1,700,360	1,640,000	1,647,000	1,655,000
6	Funds Held at Friends Fiduciary	455,000	445,000	450,000	455,000
7	Funds Held at Third-Party Banks	355,000	360,000	360,000	360,000
8	Event and Program Fees	225,000	215,000	220,000	225,000
9	Administrative Fees, including on Restricted Fi	347,500	355,500	356,000	357,500
10	TOTAL FUNDS AVAILABLE	3,082,860	3,015,500	3,033,000	3,052,500
EXPENSES					
11	Staff Salaries and Wages	1,237,000	1,254,107	1,273,000	1,292,000
12	Payroll Taxes and Benefits	587,150	661,990	672,000	682,000
13	Total Staff Expense	1,824,150	1,916,097	1,945,000	1,974,000
14	Volunteer Expenses	16,000	18,700	18,000	18,000
15	Contributions to Others	35,500	35,500	35,500	35,500
16	Event and Program Expense	265,000	255,100	257,000	259,000
17	Professional and Service Fees	160,000	88,000	89,000	89,000
18	Copying, Printing and Postage	45,000	51,000	51,000	51,000
19	Rent	279,750	287,500	293,000	295,000
20	Utilities	41,000	46,000	47,000	48,000
21	Office Supplies and Support	21,000	22,100	22,000	22,000
22	Computer Support and Licenses	57,000	54,100	54,000	54,000
23	Insurance	42,000	31,000	31,000	31,000
24	Repairs and Maintenance	46,000	49,000	50,000	51,000
25	Fixed Asset Depreciation	115,000	125,000	125,000	125,000
26	TOTAL EXPENSES	2,947,400	2,979,097	3,017,500	3,052,500
27	NET INCOME AVAILABLE	135,460	36,403	15,500	0
28	No. Full-time Equivalent Employees (FTEs)	21.80	21.80	21.80	21.80
29	Average Total Expense per Month	245,617	248,258	251,458	254,375