

May 2018



**Philadelphia**  
**Yearly Meeting** *of the Religious Society of Friends*

**FY 2019 PROPOSED BUDGET**

*Oct. 1, 2018 through Sept. 30, 2019*

**UNRESTRICTED FUNDS BUDGET FOR APPROVAL**

**RESTRICTED FUNDS BUDGET FOR INFORMATION**

**2019 Budget Notes by Line Item**

Philadelphia Yearly Meeting  
Proposed Budget  
Fiscal Year Ended September 30, 2019

	Unrestricted Funds	Restricted Funds	Total	Total
	Fiscal Year Sept. 30, 2019 Proposed Budget	Fiscal Year Sept. 30, 2019 Proposed Budget	Fiscal Year Sept. 30, 2019 Proposed Budget	Fiscal Year Sept. 30, 2018 Projection
<b>All Periods are 12 Months</b>				
<b>INCOME AND FUNDS AVAILABLE</b>				
1 Support from Meetings	1,175,000	0	1,175,000	1,175,000
2 Arch Street MH/Preservation Trust	117,800	57,500	175,300	171,500
3 Grants from Other Organizations	0	151,000	151,000	103,400
4 Bequests	0	0	0	0
5 Support from Individuals	335,200	0	335,200	340,000
6 Contributions Income	1,628,000	208,500	1,836,500	1,789,900
7 Funds Held at Friends Fiduciary	462,100	1,095,800	1,557,900	1,512,000
8 Funds Held at Third-Party Banks	340,500	19,100	359,600	378,000
9 Event and Program Fees	81,100	15,000	96,100	82,000
10 Administrative Fees, including Restricted Fds	379,700	0	379,700	361,000
<b>11 TOTAL FUNDS AVAILABLE</b>	<b>2,891,400</b>	<b>1,338,400</b>	<b>4,229,800</b>	<b>4,122,900</b>
<b>EXPENSES</b>				
12 Staff Salaries and Wages	1,271,000	185,200	1,456,200	1,278,300
13 Payroll Taxes and Benefits	527,100	74,400	601,500	589,000
14 Total Staff Expenses	1,798,100	259,600	2,057,700	1,867,300
15 Volunteer Expenses	20,000	0	20,000	15,500
16 Contributions to Others	40,600	1,034,300	1,074,900	1,014,700
17 Event and Program Expense	277,900	146,500	424,400	378,000
18 Professional and Service Fees	121,300	78,000	199,300	188,000
19 Copying, Printing and Postage	46,800	4,500	51,300	50,000
20 Rent	289,600	0	289,600	288,000
21 Utilities	42,800	0	42,800	42,000
22 Office Supplies and Support	24,500	0	24,500	20,000
23 Computer Support and Licenses	64,700	0	64,700	62,000
24 Insurance	32,500	0	32,500	34,000
25 Repairs and Maintenance	75,900	0	75,900	105,000
26 Fixed Asset Depreciation	125,500	0	125,500	125,000
<b>27 TOTAL EXPENSES</b>	<b>2,960,200</b>	<b>1,522,900</b>	<b>4,483,100</b>	<b>4,189,500</b>
NET INCOME AVAILABLE PRIOR TO APPLICATION				
28 OF RESERVES	-68,800	-184,500	-253,300	-66,600
29 Repairs at ASMH - Capital Reserve	32,500	0	32,500	65,000
30 Other Misc Reserves (Grants & Granting Groups)	36,300	162,200	198,500	54,000
31 Arch Street Preservation Trust Reserve	0	22,300	22,300	0
<b>32 NET BALANCE FY2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,400</b>
33 No. Full-time Equivalent Employees (FTEs)	19.19	3.93	23.12	22.12



**FY 2019 PROPOSED BUDGET**

*Oct. 1, 2018 through Sept. 30, 2019*

**UNRESTRICTED FUNDS BUDGET FOR APPROVAL**

**RESTRICTED FUNDS BUDGET FOR INFORMATION**

**2019 Budget Notes by Line Item**

*PLEASE NOTE SOME CHANGES*

**FY 2019 includes a budget for restricted-purpose funds alongside the unrestricted budget.**

Restricted income comes from grants, gifts or bequests where the use of income is restricted by written directions from the donor. PYM's obligation is to budget and spend that income according to donor intent. Before the new structure took effect in October 2016, PYM reported restricted income by standing committee. The new format closely aligns with PYM's audit.

**This budget also shows the application of reserves.**

Look below line 28, *Net Income Available Prior to Application of Reserves*. PYM uses cash from reserve funds to pay for some of its expenses. Unrestricted spending from reserve funds includes repairs at Arch Street paid for from the Capital Reserve and grants to meetings made from the Membership Development Fund.

On the restricted side, both the Greenleaf Granting Group and the Arch Street Meeting House Preservation Trust (ASMHT) plan to use some of their reserve funds in FY 2019 for their missions. Showing the use of reserves (as well as some other minor use of accumulated restricted income) creates a full picture of PYM's available funds and how they cover PYM's expenses.

**The FY 2019 budget has a zero balance.**

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 used surplus budgets for several years, providing cash to build the fund. The goal was met this year and PYM is budgeting FY 2019 at breakeven.

**INCOME AND FUNDS AVAILABLE**

**Line 1, Support from Meetings**

The Covenant is our single largest source of unrestricted income and PYM is deeply grateful for meeting support. The 2019 budget is flat with expectations for FY 2018. We hope that meetings that can afford to increase their Covenant amounts will choose to give more.

**Line 2, Arch Street MH/Arch Street Meeting House Preservation Trust (ASMHT)**

Unrestricted income includes visitor donations at Arch Street, as well as rental and event income. Restricted income is the budget for contributions raised by ASMHT.

**Line 3, Grants from Other Organizations**

Restricted grants to ASMHPT and to PYM are budgeted to increase 46% to \$151,000, thanks largely to the efforts of the Arch Street Meeting House Preservation Trust.

**Line 4, Bequests**

No bequests, either unrestricted or restricted, are in process for distribution to PYM in FY 2019.

**Line 5, Support from Individuals**

The Annual Fund is a significant part of PYM's unrestricted budget each year. Over the past several years, Annual Fund giving has dropped due to the deaths of some major donors. Many donors have increased the amounts they contribute, but more work needs to be done in community to build philanthropy overall, both within monthly meetings and at yearly meeting. PYM warmly appreciates a gift of any size.

**Line 6, Total Contributions Income**

In the unrestricted budget, total contributions represent 56% of Line 11, Total Funds Available. In the restricted budget, total contributions represent 16% of Total Funds Available. Total contributions represent 44% of Total Funds Available in the FY 2019 Proposed Budget.

**Line 7, Funds Held at Friends Fiduciary**

Friends Fiduciary pays a 4% distribution based on a three-year average of Quaker Growth & Income Fund unit value. Unrestricted income goes into the unrestricted budget. Restricted income is largely granting income that will be paid out in Line 16, Contributions to Others. It also includes some restricted program funding. PYM received several significant bequests, both unrestricted and restricted, in late FY 2017 and early FY 2018. These bequests were invested and will yield increased distributions from Friends Fiduciary in FY 2019.

**Line 8, Funds Held at Third-Party Banks**

Third-party banks hold unrestricted funds for PYM as trusts (PNC) and as private foundations (BNY Mellon). Wells Fargo holds a restricted fund as a private foundation. We expect a 5% decline in total FY 2019 income due to lower distribution rates.

**Line 9, Event and Program Fees**

Unrestricted fees include fees from Annual and Continuing Sessions and from other programs and events. Restricted fees are associated with Friends Counseling Service.

**Line 10, Administrative Fees, including fees charged on restricted-purpose funds**

PYM's restricted-purpose funds pay an administrative fee based on their principal value at Friends Fiduciary. PYM will calculate the FY 2019 fee using the Quaker Growth & Income Fund's unit value at June 30, 2018. The fee will increase slightly, due to the receipt of a significant restricted bequest in the fall of 2017.

PYM's restricted-purpose funds are largely granting funds; PYM follows foundation best practices in viewing administrative costs as shared in the aggregate and using a tiered fee schedule that charges a slightly lower fee to smaller funds. PYM uses its administrative fees to fund the grantmaking function and the administrative costs of managing restricted monies.

**Line 11, Total Funds Available**

In the unrestricted budget, total funds available of \$2.89 million are 56% from contributions and 44% from investment income, program income and fees. In the restricted budget, total funds available of \$1.34 million are 16% from contributions and 84% from investment income, program income and fees. Combined total funds available of \$4.23 million represent an increase of 2.6% over FY 2018 Projected Funds Available.

**EXPENSES****Line 12, Staff Salaries and Wages**

In FY 2019, PYM will have 19.19 full-time equivalent employees (FTEs) in the unrestricted budget and 3.93 FTEs in the restricted budget. Restricted staff funding comes from restricted fund income, notably the Theodore Nitsche Fund, which supports Arch Street; ASMHPT funding; and restricted grants. Year-over-year, the FY 2019 total budget is 14% above the FY 2018 projection. FY 2018 is below budget because some staff positions were vacant during the year. Some of that staff work, notably for HR, has been performed on a consulting basis. Consulting expenses are recorded in Line 18, Professional & Service Fees, rather than on Line 12, Staff Salaries and Wages.

**Line 13, Payroll Taxes and Benefits**

Payroll taxes and benefits match FTEs in the unrestricted and restricted budgets. Year-over-year, the FY 2019 total budget is 2% above the FY 2018 projection. PYM was assessed higher pension costs for the two previous years running to comply with increases in IRS mortality tables. New actuarial assumptions are now fully in effect. This line also includes staff travel and training.

**Line 14, Total Staff Expenses**

Combined unrestricted and restricted staff expenses are budgeted at \$2.06 million, a 10% increase over the FY 2018 projection. As noted on Line 12, the 2018 projection is below budget because some staff positions were vacant during the year.

**Line 15, Volunteer Expenses**

Unrestricted volunteer expenses are budgeted at \$20,000. This figure includes funding to cover the costs of PYM appointed representatives participating in other Quaker organizations.

**Line 16, Contributions to Others**

Unrestricted contributions to outside organizations, mainly other religious groups such as FGC, AFSC, FCNL, FWCC and the National Council of Churches, are made with unrestricted income from the Chace Fund. Unrestricted contributions also include grants made to monthly meetings from the Membership Development Fund, an unrestricted reserve fund. Restricted contributions reflect the more than 400 grants PYM makes each year to individuals, meetings and nonprofit organizations.

Combined contributions to others are budgeted 6% higher year-over-year. The Greenleaf Granting Committee is planning to make more grants from the Greenleaf Fund. PYM now makes grants from the Anna Jeanes Cremation Fund, a gift to PYM last year from the Trustees of Green Street Monthly Meeting. The Cremation Fund has served members of PYM since 1922.

**Line 17, Event and Program Expense**

Unrestricted event and program expense covers a range of programs: Annual Sessions, Continuing Sessions, youth programs, other smaller programs, periodic publications such as *Faith in Practice*, and a Quaker Life Council "program envelope" to support collaboratives, programs and events.

**Line 17, Event and Program Expense *continued***

Restricted expense includes Friends Counseling Service, spending under grants, and spending from various restricted program funds budgeted for Annual Sessions, youth, other smaller programs, and additional *Faith & Practice* publication costs.

**Line 18, Professional and Service Fees**

Unrestricted expenses include normal and typical fees for the audit, payroll services, banking services, credit card processing fees to support online giving to PYM and the monthly meetings, and routine consulting and legal work. FY 2018 includes costs for HR consulting, as noted in Line 12. Restricted spending is budgeted for ASMHPT consulting fees on planning and development.

**Line 19, Copying, Printing and Postage**

Unrestricted costs are for PYM and restricted costs for ASMHPT.

**Line 20, Rent (Friends Center Expenses and Other)**

Unrestricted rent expense includes Friends Center rent and small storage charges. PYM is one of three equity partners in Friends Center with the AFSC and Central Philadelphia Monthly Meeting.

**Line 21, Utilities**

Unrestricted expenses for gas, electric and water at the Arch Street Meeting House and telephone service at PYM's offices and Arch Street.

**Line 22, Office Supplies and Support**

Unrestricted expenses for office supplies and miscellaneous administrative expenses.

**Line 23, Computer Support and Licenses**

Unrestricted expenses for PYM information technology (IT) support provided by the AFSC, annual computer licenses and routine software licensing and support.

**Line 24, Insurance**

Unrestricted expense for property, liability and Directors & Officers insurance.

**Line 25, Repairs and Maintenance**

Unrestricted cost of maintenance and repairs of the building, equipment and grounds at Arch Street Meeting House. This line includes \$32,000 of non-routine building repairs and painting that are being funded by the Capital Reserve Fund (see Line 29).

**Line 26, Fixed Asset Depreciation**

Unrestricted expense, calculated from depreciation schedules for Arch Street Meeting House and depreciable equipment and furnishings at PYM's offices.

**Line 27, Total Expenses**

Total expense is budgeted at \$4.48 million, a 7% increase from the FY 2018 projection.

**Line 28, Net Income Available Prior to Application of Reserves**

Both unrestricted and restricted budgets show deficits because expenses include items that will be paid for using cash from reserves. See Lines 29, 30 and 31.

**Line 29, Capital Reserve Funds for Repairs at Arch Street**

Unrestricted repairs expensed in Line 25, but paid for from Capital Reserve funds.

**Line 30, Miscellaneous Spending from Reserves, Grants and Accumulated Granting Income**

The unrestricted use of reserves includes Membership Development grants, unexpended grant funds from FY 2017, and use of other reserve funds for programs. Restricted spending is largely expensed in Line 16, Contributions to Others. Restricted spending includes additional planned Greenleaf grants.

**Line 31, Arch Street Meeting House Preservation Trust Reserves**

Restricted spending from its reserves by ASMHPT.

**Line 32, Net Balance**

Budgeted at zero in FY 2019.

**Line 33, Number of Full-time Equivalent Employees (FTEs)**

PYM expects to have 19.19 FTEs in the unrestricted budget and 3.93 in the restricted budget, for a total count of 23.12, one more FTE than in FY 2018.

*Questions or comments?*

Andrew Anderson, Treasurer

[andrewbanderson@hotmail.com](mailto:andrewbanderson@hotmail.com)

Linell McCurry, Associate Secretary for Business & Finance

[lmccurry@pym.org](mailto:lmccurry@pym.org)

215-241-7205