

Administrative Council PROPOSED BUDGET 2026	FY 2026 PYM Without Donor Restrictions	FY 2026 PYM With Donor Restrictions	FY 2026 ASMHPT	FY 2026 TOTAL	FY 2025 TOTAL	FY25 to FY26 Year-on-year change
All Periods are 12 Months from 10/1/25	September 30, 2026 Budget	September 30, 2026 Budget	September 30, 2026 Budget	September 30, 2026 Budget	September 30, 2025 Budget	
<b>INCOME AND FUNDS AVAILABLE</b>						
1 Support from Meetings (Covenants)	975,000	0	0	975,000	975,000	100%
2 PA Educational Improvement Tax Credit	0	0	10,000	10,000	0	
3 Grants and Other Gifts	0	0	50,000	50,000	100,000	50%
4 Bequests	0	0	0	0	0	
5 Support from Individuals (Annual Fund)	325,000	0	75,000	400,000	425,000	94%
6 <b>Contributions Income</b>	1,300,000	0	135,000	1,435,000	1,500,000	96%
7 Distributions on Funds Held at Friends Fiduciary	600,000	1,117,625	118,400	1,836,025	1,962,000	94%
8 Distributions on Funds Held at Third-Party Banks	400,500	15,000	0	415,500	415,000	100%
9 Event and Program Fees	93,500	0	181,000	274,500	200,000	137%
10 Administrative Fee on Restricted Funds	431,500	0	0	431,500	425,000	102%
11 <b>TOTAL FUNDS AVAILABLE</b>	<b>2,825,500</b>	<b>1,132,625</b>	<b>434,400</b>	<b>4,392,525</b>	<b>4,502,000</b>	<b>98%</b>
<b>EXPENSES</b>						
12 Staff Salaries and Wages	1,652,500	35,900	268,500	1,956,900	1,914,000	102%
13 Payroll Taxes, Benefits, Employee Travel	500,000	0	84,000	584,000	517,000	113%
14 <b>Total Staff Expenses</b>	2,152,500	35,900	352,500	2,540,900	2,431,000	105%
15 Contributions to Others	66,175	1,012,300	0	1,078,475	1,090,000	99%
16 Event and Program Expense	81,150	67,925	8,500	157,575	140,000	113%
17 Professional and Service Fees	93,500	16,500	2,500	112,500	120,000	94%
18 Banking & Merchant Fees	44,000	0	0	44,000	23,000	191%
19 Copying, Printing and Postage	35,000	0	7,000	42,000	40,000	105%
20 Rent	363,200	0	0	363,200	305,000	119%
21 Utilities	8,000	0	35,000	43,000	60,000	72%
22 Office Supplies and Support	17,000	0	3,400	20,400	13,000	157%
23 Computer Support and Licenses	118,500	0	0	118,500	82,000	145%
24 Insurance	90,000	0	0	90,000	40,000	225%
25 Repairs and Maintenance	0	0	47,000	47,000	168,000	28%
26 Capital Reserve Contribution	80,000	0	0	80,000	120,000	67%
27 Fixed Asset Depreciation (non-cash)	161,500					
28 <b>TOTAL EXPENSES</b>	<b>3,310,525</b>	<b>1,132,625</b>	<b>455,900</b>	<b>4,737,550</b>	<b>4,632,000</b>	<b>102%</b>
29 <b>NET DEFICIT OR SURPLUS</b>	<b>-485,025</b>	<b>0</b>	<b>-21,500</b>	<b>-506,525</b>	<b>-130,000</b>	<b>390%</b>
<b>RESERVES &amp; PROGRAM FUND SUPPORT</b>						
30 Operating Reserve	206,125	0	21,500	227,625	80,000	285%
31 Other Misc Reserves (Grants & Granting Groups)	117,400	0	0	117,400	50,000	235%
32 <b>NET BALANCE</b>	<b>-161,500</b>	<b>0</b>	<b>0</b>	<b>-161,500</b>	0	
33 No. Full-time Equivalent Employees (FTEs)	21.0	0.5	5.0	26.5	26	

## **FY 2026 PROPOSED BUDGET**

*October 1, 2025, through September 30, 2026*

### **FY 2026 Budget Notes by Line Item**

Administrative Council has released this Proposed Budget to Annual Sessions.

#### **A word about Unrestricted and Restricted as used by nonprofit entities**

“Unrestricted” means net assets without donor restrictions, which are available for use in general operations. “Restricted” means net assets with donor restrictions; these are donor or grantor-imposed restrictions that may be temporary in nature or perpetual in nature.

#### **Our Budget Process**

To develop our budget, we gathered with staff. Through a series of conversations, we discerned realistic projections. We based our projected income and expenses on the actual income and expenses of July 2024 through June 2025.

For expenses outside of our control, we consulted with the providers of those expenses to support our projections. For expenses within our control, we discerned the appropriateness of cost-reduction opportunities, while seeking to maintain sustained value to our community.

Our intent avoids overestimating or underestimating our costs. We recognize justified and validated variances will provide openings for new insights. Discerning these insights will bring attention and consideration to adjustments of strategic financials. Our budget is trackable and measurable. Our record-keeping systems are matured to a place where progress can be monitored, and staff will review budget-to-actual metrics on a regular basis.

When our projected income sources do not provide sufficient support for our projected expenses, our budget enters a season of deficit. During a season of deficit, we seek support from reserves and program funds, while honoring donor restrictions.

When our projected income sources are larger than our projected expenses, our budget enters a season of surplus. During seasons of surplus, we restore our reserves from prior seasons of deficit.

When our projected income sources are sufficient to support our projected expenses, our budget enters a season of balance, and we are sustained.

## **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. We hope Meetings increase Covenants to enter seasons of balance and replenishment in the future.

#### **Line 2, Pennsylvania Educational Improvement Tax Credit**

Specific to ASMHPT: the State of Pennsylvania offers tax credits to nonprofits to subsidize fields trips from public schools, and it offers taxpayers and businesses an opportunity to redirect a portion of their Pennsylvania tax liability to approved educational organizations.

#### **Line 3, Grants and Other Gifts**

Budgeted for restricted grant funding for Arch Street Meetinghouse Preservation Trust.

#### **Line 4, Bequests**

There are no known bequests in process for distribution in FY 2026.

#### **Line 5, Support from Individuals**

FY 2026 Proposed Budget,  
Annual Sessions, July 2025

The Annual Fund contributes a significant part of PYM's unrestricted budget. PYM appreciates a gift of any size. Thank you! Our whole yearly meeting community grows deeper and stronger in a Spirit of generosity.

#### **Line 6, Total Contributions Income**

Total budgeted contributions of \$1.435 million represent 33% of Total Funds Available in FY 2026, Line 11.

#### **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 supports the general fund budget. Restricted income is largely granting income paid out in Line 15, Contributions to Others. It also includes some restricted program funding. In this season of economic uncertainty, a realistic budget is formed by projecting future income amounts as the actual amounts received during the most recent actual year.

#### **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-purpose fund for PYM as a private foundation. Income is not easily predictable. Some funds base their distributions on market values as of a certain date, such as December 31. Others base distributions on a three-year average. As with Funds Held at Friends Fiduciary, Funds Held at Third-Party Banks are forecasted using actual income over the most recent year.

#### **Line 9, Event and Program Fees**

Our Event and Program Fees are gathered through events hosted by PYM Development, PYM Program & Religious Life, and Arch Street Meetinghouse Preservation Trust. Efforts are in place to have program fees balance more closely with the actual cost of programs and events. Income from programs and events will be a significant contributor navigating future budgets toward balance.

#### **Line 10, Administrative Fees**

PYM charges its restricted-purpose funds an administrative fee based on principal value at Friends Fiduciary each June 30. The fee is unrestricted income to PYM, per accounting rules. For purposes of prudent and realistic projections, the budget is using the actual amount of administrative fees received in fiscal year 2025.

PYM's restricted-purpose funds are largely granting funds. PYM follows Foundation best practices: we view administrative costs as shared in the aggregate. We also use a tiered fee schedule that charges a slightly lower fee to smaller funds. Administrative fees pay for PYM's grantmaking function, and the administrative costs of managing restricted monies.

#### **Line 11, Total Funds Available**

Total funds without donor restrictions are budgeted at \$2.83 million: 46% is from contributions and 54% is from investment income, program, and fees. Total funds with donor restrictions are budgeted at \$1.57 million. For purposes of prudent and realistic projections, the budget is using the actual amount of restricted funds received in fiscal year 2025.

### **EXPENSES**

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

Staff salaries and wages of \$1.96 million are rising 2% over last year's budget. A 2% cost of living adjustment (COLA) for all staff is projected for the next fiscal year.

Some restricted funding for staff comes from investment income, notably the Theodore H. Nitsche Fund. Nitsche distributions cover approximately \$118,400 of restricted salaries and benefits at Arch Street in FY 2026. The Arch Street Meeting House Preservation Trust provides restricted funding and grants to pay for Arch Street program staff.

#### **Line 13, Payroll Taxes, Benefits, and Employee Travel**

This line includes payroll taxes, health insurance, workers comp insurance, staff training and travel, and PYM's employer contribution to staff retirement. Retirement benefits are provided by the Friends 403(b) Plan; employer contributions are 7% of the salary budget for benefits-eligible staff plus a dollar-for-dollar match of employee deferrals up to 3% of salary. Employees who choose to save 3% of their salary receive a 10% total employer contribution. Health insurance costs for calendar 2026 will not be known until open enrollment in the fall of 2025, but we expect to provide excellent cost-effective coverage through the Friends Mutual Health Group. Employees who do not receive health care through PYM are provided with a monthly stipend toward their health care that is covered on the salary line.

**Line 14, Total Staff Expenses**

Total staff expenses are budgeted at \$2.54 million or 58% of total budgeted spending.

**Line 15, Contributions to Others**

Unrestricted contributions are made to other 501(c)(3) organizations under limited circumstances.

PYM contributes financially to organizations where it is committed to appointing PYM members to serve on their Boards, such as Friends General Conference, Friends World Committee, and Friends Committee on National Legislation. Additionally, small contributions are made to a few organizations which are engaged in ministries related to the current concerns of the Yearly Meeting.

These contributions come from the Chace Fund: a fund restricted to providing support to religious organizations. The Chace Fund is held in Trust by Friends Fiduciary Corporation (FFC) and PYM has beneficial interest; PYM annually reports to FFC a list of the organizations to which it is contributing Chace income, in accordance with the Chace Will. The General Secretary is responsible for ensuring these funds are distributed.

Louisa & Corson Poley Fund income is granted to Burlington Quarter, per the 2017 Burlington Meeting House Agreement. Outreach grants to Monthly Meetings come from the Membership Development Fund, an unrestricted reserve fund. PYM does not otherwise contribute general funds to other organizations. Unrestricted funds are given to the Yearly Meeting for its operation, either by individuals, meetings, or unrestricted endowment. They are therefore not passed through PYM as contributions to others.

Restricted contributions reflect the more than 400 grants PYM makes each year to individuals, meetings, and nonprofit organizations. Restricted grants vary from year to year, often because of timing across fiscal years. Grants may be made from restricted reserves (accumulated, unspent income from prior years) as well as from current year restricted income.

**Line 16, Event and Program Expense**

The unrestricted budget covers a range of programs: Annual Sessions, Continuing Sessions, youth programs, other smaller programs, volunteer expenses, publications, and a Quaker Life Council “program envelope” to support collaboratives, programs, and events. The PYM budget allocates funds to the Quaker Life Council to be used in any way the council determines for program and initiatives to help the yearly meeting thrive.

Restricted expense includes Friends Counseling Service, spending from grants at ASMHPT, and various restricted program funds budgeted for Annual Sessions, youth, and other smaller programs.

**Line 17, Professional and Service Fees**

Unrestricted spending includes normal and typical fees for the PYM audit, payroll services, banking services, routine consulting, and legal work. Restricted spending is budgeted for ASMHPT and Friends Counseling Service.

**Line 18, Banking and Merchant Fees**

Unrestricted costs are for PYM and include merchant account fees to support program registration and online giving. Restricted costs are for ASMHPT. Other costs include fees from banks and our accounts payable system. The significant increase is represented by the amount of merchant service fees paid on by accepting and advancing online gifts for the benefit of Monthly Meetings.

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

Unrestricted costs are for PYM and restricted costs for ASMHPT.

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

Rent expenses include 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. In the past, rent was calculated using the actual rent amount paid at time of budget preparation. For fiscal year 2026, rent is calculated in collaboration with Friends Center as a projected amount.

**Line 21, Utilities**

PYM’s utility cost is limited to phone service at 1515 Cherry Street. PYM’s cost for this service decreased due to a conversion from landline telephone to “soft” phones which function as a portable software application. Other utilities at this site are provided by

Friends Center, a LEED Platinum building that uses geothermal heat and 100% wind-generated electricity. Gas, electricity, water and phones at Arch Street are in their restricted budget and paid by ASMHPT.

**Line 22, Office Supplies and Support**

Expenses for office supplies and miscellaneous administrative expenses. The budget figure represents a reduction of actual expenses, but is an increase from last year's budget figure.

**Line 23, Computer Support and Licenses**

Expenses for PYM information technology (IT) support provided by the AFSC, annual computer licenses, annual database licenses, and routine software licensing and support. Our increased use of technology supports deeper and more meaningful integration across our functional program groups, and provides data for more impactful decision-making.

**Line 24, Insurance**

Property, liability, cyber, and Directors & Officers insurance. In the past, insurance was calculated using the actual insurance amounts paid at time of budget preparation. For fiscal year 2026, insurance is calculated in collaboration with our broker as a projected amount.

**Line 25, Repairs and Maintenance**

The cost of maintenance and repairs of the building, equipment, and grounds at Arch Street Meeting House. The decreased forecast of cost is a result of significant improvements already made to Arch Street Meeting House over the last few years.

**Line 26, Fixed Capital Reserves**

Our Contributions to Capital Reserves is an unrestricted expense, calculated in consideration of depreciation schedules for Arch Street Meeting House and depreciable equipment and furnishings at PYM's offices. Our Accounting resources support the presentation of this figure.

**Line 27, Fixed Asset Depreciation (non-cash)**

Fixed assets are buildings and museum exhibits. These assets depreciate and this expense is against the book value of the fixed assets; not income.

**Line 28, Total Expenses**

Budgeted at \$4.74 million, 2% ahead of the FY 2025 budget of \$4.63 million.

**Line 29, Net Deficit or Surplus**

The budgets show deficits because total expenses are greater than total revenues. Support will be provided from reserves if necessary. See Lines 29 and 30.

**Line 30, Operating Reserves**

PYM and ASMHPT each have projected expenses larger than projected incomes. ASMHPT's use of reserves is mostly due to a conservative position in expectation of grants and gifts.

**Line 31, Miscellaneous Spending from Reserves, Grants and Accumulated Granting Income**

Use of reserves includes unexpended grant funds from prior years and accumulations within restricted funds with use for programs honoring donor intent.

**Line 32, Net Balance**

Budgeted at zero in FY 2026 for all categories but PYM Without Donor Restrictions at \$161,500. This is the same amount as depreciation which is not funded from our income.

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

PYM is fully staffed with 21 FTE equivalents in the unrestricted budget, and 5.5 FTE equivalents in the restricted budgets for a total count of 26.5.

Tom Zemaitis, Treasurer; [tzemaitis@pym.org](mailto:tzemaitis@pym.org)

David Park, Chief Financial Officer; [dpark@pym.org](mailto:dpark@pym.org)