



Philadelphia
Yearly Meeting *of the Religious Society of Friends*

FY 2020 APPROVED BUDGET

Oct. 1, 2019 through Sept. 30, 2020

UNRESTRICTED FUNDS BUDGET APPROVED

RESTRICTED FUNDS BUDGET FOR INFORMATION

2020 Budget Notes by Line Item

Annual Sessions approved this budget in its morning business session of July 25, 2019.

Readers May Find These Definitions Helpful:

Unrestricted Funds -- Unrestricted income (no donor restrictions) comes from contributions, investments and fees.

Restricted Funds -- Restricted income comes from grants, gifts, and bequests where donors directed the use of income in writing. PYM must spend its restricted income according to donor intent.

Application of reserves -- PYM uses cash from reserve funds (that is, savings) to pay some of its expenses. Showing the use of reserves creates a fuller picture of PYM's available funds and how they cover PYM's expenses.

- The Capital Reserve, an unrestricted reserve, helps cover repairs at Arch Street. Unrestricted funds from Membership Development provide outreach grants to meetings.
- Restricted reserves budgeted for use in FY 2020 include mission-related spending by the Greenleaf Granting Group and grants made to the Arch Street Meeting House Preservation Trust (ASMHPT), as well as some other minor use of accumulated restricted income.

Zero Net Balance -- FY 2020 is budgeted 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 2020 budget is flat with expectations for FY 2019. We hope that meetings that can afford to increase their Covenant amounts will choose to give more.

Line 2, Arch Street visitor donations /Arch Street Meeting House Preservation Trust fundraising

Unrestricted income includes visitor donations at Arch Street. Restricted income is what ASMHPT has budgeted for its own fundraising efforts.

Line 3, Grants and Other Gifts

ASMHPT has budgeted \$60,000 in restricted grants.

Line 4, Bequests

No bequests, either unrestricted or restricted, are in process for distribution to PYM in FY 2020.

Line 5, Support from Individuals

The Annual Fund contributes a significant part of PYM's unrestricted budget each year. The level of giving has declined in recent years because of the deaths of some of our major donors. Many living 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, contributions represent 50% of Line 11, Total Funds Available. In the restricted budget, contributions represent 10.5% of Total Funds Available. Combined, contributions income represents 38% of Total Funds Available in FY 2020.

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.

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.

Line 9, Event and Program Fees

Unrestricted fees include fees from Annual and Continuing Sessions, from other programs and events, and from rental income and events at Arch Street. Restricted fees are associated with Friends Counseling Service.

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

PYM charges its restricted-purpose funds an administrative fee based on their principal value at Friends Fiduciary. The fee is unrestricted income to PYM, per accounting rules. It was calculated on the Quaker Growth & Income Fund's unit value at June 30 and is level with last year.

PYM's restricted-purpose funds are largely granting funds. PYM follows foundation best practices: we view administrative costs as shared in the aggregate and we 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

Unrestricted total funds available of \$2.87 million derive 50% from contributions and 50% from investment income, program income and fees. Restricted total funds available of \$1.32 million are 10.5% from contributions and 89% from investment income, program income and fees. Combined funds available of \$4.2 million represent an increase of 3% over the FY 2019 Projection.

EXPENSES

Line 12, Staff Salaries and Wages

In FY 2020, PYM expects to have 19.5 full-time equivalent employees (FTEs) in the unrestricted budget and 3.9 FTEs in the restricted budget. Restricted funding for staff comes from restricted investment income (notably the Theodore Nitsche Fund, which supports Arch Street), from ASMHPT funding, and from restricted grants.

The total staff budget for FY 2020 is 15% above the FY 2019 projection, mostly because FY 2019 is running below budget. The Director of Grantmaking retired mid-year, and the work of other positions (Controller, Grants Associate, and General Secretary's Assistant) has been performed on a consulting basis. Consultant expenses are recorded in Line 18, Professional & Service Fees, rather than on Line 12, Staff Salaries and Wages. The General Secretary's Assistant is now a staff position again. A new Director of Grantmaking is in place and a Grants Associate should be hired before the end of FY 2019. These changes are reflected in the 2020 FTE count.

Line 13, Payroll Taxes, Benefits and Employee Travel

The benefits line also includes workers comp insurance, staff training and pension funding. The FY 2019 projection is slightly below budget. The total budget for FY 2020 increased 16% to account for estimated health care costs in calendar 2020 and a higher pension assessment.

Line 14, Total Staff Expenses

Combined staff expenses are budgeted at \$2.073 million, a 15.5% increase over the FY 2019 projection, which is running below budget, as described above.

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

PYM uses a portion of unrestricted Chace Fund income to contribute to other organizations, mainly religious groups such as FGC, AFSC, FCNL, FWCC and the National Council of Churches. Unrestricted contributions also include a grant made to Burlington Quarter from the Louisa & Corson Poley Fund, per the Burlington Meeting House Agreement, and outreach 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 4% higher year-over-year. The Greenleaf Granting Committee continues to make more grants from the Greenleaf Fund to meet the needs of elderly Friends across the yearly meeting.

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Line 17, Event and Program Expense

The unrestricted budget 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.

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

Line 18, Professional and Service Fees

Unrestricted spending includes 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. Restricted spending is budgeted for ASMHPT.

FY 2020 spending in the category is budgeted lower than the FY 2019 projection. The current year includes consulting accountants to cover the controller position, a consultant who provided short-term support to grantmaking, and the General Secretary's Assistant through June, as noted in Line 12, Staff Salaries and Wages.

Line 19, Development Expense

Unrestricted costs are for PYM and restricted costs for ASMHPT. FY 2019 expenses reflect ASMHPT's use of outside support for fundraising, work that will be done in-house in FY 2020.

Line 20, Copying, Printing and Postage

Unrestricted costs are for PYM and restricted costs for ASMHPT.

Line 21, Rent (Friends Center Expenses and Other)

Unrestricted rent expense includes Friends Center rent, which will be slightly lower in 2020, and small storage charges. PYM is one of three equity partners in Friends Center with the AFSC and Central Philadelphia Monthly Meeting.

Line 22, 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 23, Office Supplies and Support

Unrestricted expenses for office supplies and miscellaneous administrative expenses.

Line 24, 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 25, Insurance

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

Line 26, Repairs and Maintenance

The cost of maintenance and repairs of the building, equipment and grounds at Arch Street Meeting House. This line includes non-routine repairs funded by the Capital Reserve Fund (see Line 30).

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Line 27, Fixed Asset Depreciation

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

Line 28, Total Expenses

Total expense is budgeted at \$4.41 million, a 7% increase from the FY 2019 projection, which is running below budget.

Line 29, Net Income Available Prior to Application of Reserves

Both unrestricted and restricted budgets show deficits because their total expense includes items that will be paid for using cash from reserves. See Lines 30, 31 and 32.

Line 30, Capital Reserve Funds for Repairs at Arch Street

Unrestricted repairs expensed in Line 25, but covered by Capital Reserve funds.

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

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

Line 32, Arch Street Meeting House Preservation Trust Reserves

Restricted spending from its own reserves by ASMHPT.

Line 33, Net Balance

Budgeted at zero in FY 2020.

Line 34, Number of Full-time Equivalent Employees (FTEs)

PYM expects to have 19.5 FTEs in the unrestricted budget and 3.9 in the restricted budget, for a total count of 23.4, three-quarters of an FTE more than in FY 2019.

Questions or comments?

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PROPOSED BUDGET	FY 2020	FY 2020	FY2020	FY2019
	Unrestricted	Restricted	Total	Projection
	Sept. 30, 2020 Proposed Budget	Sept. 30, 2020 Proposed Budget	Sept. 30, 2020 Total Budget	Sept. 30, 2019 Projection
All Periods are 12 Months				
INCOME AND FUNDS AVAILABLE				
1 Support from Meetings (Covenant)	1,130,000	0	1,130,000	1,130,000
2 Arch Street Donations/ASMHT Fundraising	20,000	80,000	100,000	75,000
3 Grants and Other Gifts	0	60,000	60,000	85,000
4 Bequests	0	0	0	0
5 Support from Individuals (Annual Fund)	300,000	0	300,000	300,000
6 Contributions Income	1,450,000	140,000	1,590,000	1,590,000
7 Funds Held at Friends Fiduciary	490,000	1,160,000	1,650,000	1,557,900
8 Funds Held at Third-Party Banks	375,000	15,000	390,000	367,000
9 Event and Program Fees	175,000	10,000	185,000	175,000
10 Administrative Fee on Restricted Funds	388,000	0	388,000	388,000
11 TOTAL FUNDS AVAILABLE	2,878,000	1,325,000	4,203,000	4,077,900
EXPENSES				
12 Staff Salaries and Wages	1,205,000	183,000	1,388,000	1,203,300
13 Payroll Taxes, Benefits, Employee Travel	610,000	75,000	685,000	590,000
14 Total Staff Expenses	1,815,000	258,000	2,073,000	1,793,300
15 Volunteer Expenses	20,000	1,000	21,000	15,000
16 Contributions to Others	50,000	1,068,000	1,118,000	1,072,500
17 Event and Program Expense	184,000	100,000	284,000	280,000
18 Professional and Service Fees	170,000	25,000	195,000	220,000
19 Development Expense	20,000	9,500	29,500	54,000
20 Copying, Printing and Postage	46,000	5,000	51,000	45,000
21 Rent	268,000	0	268,000	271,000
22 Utilities	43,000	0	43,000	40,000
23 Office Supplies and Support	25,000	0	25,000	24,500
24 Computer Support and Licenses	69,000	2,000	71,000	70,000
25 Insurance	32,500	0	32,500	32,500
26 Repairs and Maintenance	80,000	0	80,000	88,000
27 Fixed Asset Depreciation	125,500	0	125,500	125,000
28 TOTAL EXPENSES	2,948,000	1,468,500	4,416,500	4,130,800
29 NET INCOME PRIOR TO APPLICATION OF RESERVES	-70,000	-143,500	-213,500	-52,900
30 Repairs at ASMH (Capital Reserve)	50,000	0	50,000	35,000
31 Other Misc Reserves (Grants & Granting Groups)	20,000	143,500	163,500	17,900
32 Arch Street Preservation Trust Reserve	0	0	0	0
33 NET BALANCE	0	0	0	0
34 No. Full-time Equivalent Employees (FTEs)	19.50	3.90	23.40	22.65