

ANNUAL SESSIONS 2020
FY 2021
APPROVED BUDGET

	FY 2021 UNRESTRICTED	FY 2021 RESTRICTED	FY 2021 TOTAL	FY 2020 TOTAL
	Sept. 30, 2021 Approved Budget	Sept. 30, 2021 Approved Budget	Sept. 30, 2021 Approved Total	Sept. 30, 2020 Projected Total
All Periods are 12 Months				
INCOME AND FUNDS AVAILABLE				
1 Support from Meetings (Covenant)	1,100,000	0	1,100,000	1,130,000
2 Arch Street Donations/ASMHT Fundraising	20,000	55,000	75,000	65,000
3 Grants and Other Gifts	0	50,000	50,000	30,000
4 Bequests	0	0	0	0
5 Support from Individuals (Annual Fund)	300,000	0	300,000	300,000
6 Contributions Income	1,420,000	105,000	1,525,000	1,525,000
7 Funds Held at Friends Fiduciary	500,000	1,246,000	1,746,000	1,733,000
8 Funds Held at Third-Party Banks	358,000	15,000	373,000	380,000
9 Event and Program Fees	175,000	10,000	185,000	93,500
10 Administrative Fee on Restricted Fds	387,000	0	387,000	390,000
11 TOTAL FUNDS AVAILABLE	2,840,000	1,376,000	4,216,000	4,121,500
EXPENSES				
12 Staff Salaries and Wages	1,195,000	149,000	1,344,000	1,265,000
13 Payroll Taxes, Benefits, Employee Travel	595,000	65,000	660,000	660,000
14 Total Staff Expenses	1,790,000	214,000	2,004,000	1,925,000
15 Volunteer Expenses	20,000	1,000	21,000	18,000
16 Contributions to Others	50,000	1,070,000	1,120,000	1,345,500
17 Event and Program Expense	165,000	100,000	265,000	179,000
18 Professional and Service Fees	200,000	25,000	225,000	299,000
19 Development Expense	20,000	10,000	30,000	29,500
20 Copying, Printing and Postage	40,000	5,000	45,000	40,000
21 Rent	265,000	0	265,000	261,000
22 Utilities	43,000	0	43,000	43,000
23 Office Supplies and Support	22,000	0	22,000	20,000
24 Computer Support and Licenses	69,000	2,000	71,000	71,000
25 Insurance	34,000	0	34,000	34,000
26 Repairs and Maintenance	90,000	0	90,000	60,000
27 Fixed Asset Depreciation	125,500	0	125,500	125,500
28 TOTAL EXPENSES	2,933,500	1,427,000	4,360,500	4,450,500
NET INCOME AVAILABLE PRIOR TO APPLICATION OF				
29 RESERVES	-93,500	-51,000	-144,500	-329,000
30 Repairs at ASMH (Capital Reserve)	68,500	0	68,500	30,000
31 Other Misc Reserves (Grants & Granting Groups)	25,000	51,000	76,000	299,000
32 Arch Street Preservation Trust Reserve	0	0	0	0
33 NET BALANCE	0	0	0	0
34 No. Full-time Equivalent Employees (FTEs)	20.90	3.40	24.30	24.30

FY 2021 APPROVED BUDGET

Oct. 1, 2020 through Sept. 30, 2021

UNRESTRICTED FUNDS APPROVED BUDGET

RESTRICTED FUNDS DRAFT BUDGET FOR INFORMATION

2021 Budget Notes by Line Item

On August 1, 2020, Annual Sessions approved the proposed budget for FY 2021.

This year's budget timeline

- **Saturday, July 18, 2020.** Admin Council released a final version of the FY 2021 budget to advance documents for Annual Sessions
- **Tuesday, July 21, 2020, 7:30-8:30 PM** on Zoom. Questions and answers on the FY 2021 Proposed Budget, hosted by Andrew Anderson, PYM Treasurer, and Linell McCurry, Associate Secretary for Business & Finance
- **Saturday, August 1, 2020.** FY 2021 Proposed Budget presented for approval during the afternoon business session, 2-3 PM

How to Read the Budget

Unrestricted Funds – Unrestricted or general fund income is from contributions, investments, and fees without donor restrictions. These funds are spent according to each year's approved budget.

Restricted Funds – Restricted income is from grants, gifts, and bequests where donors have directed the use of income in writing. PYM spends this income according to donor direction.

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. Including the use of reserves, FY 2021 is budgeted for a zero balance.

COVID-19

While 2020 Sessions are virtual, the budget assumes in-person Annual Sessions in 2021. Budgeted Total Event & Program Revenue and Total Event & Program Expense are markedly higher than the FY 2020 projections for these line items. The main difference is pass-through fees and costs related to The College of New Jersey. The budget also assumes modest revenue from a resumption of student tours and visitors to Arch Street. Arch Street plans to reopen gradually, following guidelines.

On April 27, 2020, PYM received a Paycheck Protection Program loan of \$311,600 under the CARES Act. Although not a certainty, PYM anticipates that this loan will be forgiven in full and that such forgiveness will occur in the current fiscal year. The accounting treatment for any such forgiveness has not been determined at this time.

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 that meetings that can afford it will choose to increase their Covenant amounts.

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

Arch Street plans to reopen gradually to visitors and tours, following COVID-19 guidelines. The budget assumes donations from visitors and tours will resume in the spring of 2021 and that the Preservation Trust will raise at least \$55,000 in contributions for Arch Street.

Line 3, Grants and Other Gifts

Grants are usually restricted. The budget includes \$50,000 in grants to Arch Street.

Line 4, Bequests

PYM does not know of any bequests, either unrestricted or donor restricted, in process for distribution to PYM in FY 2021.

Line 5, Support from Individuals

The Annual Fund contributes a significant part of PYM's unrestricted budget each year. Despite the deaths of some of our major donors in recent years, many regular donors have increased their giving and new donors have been drawn to contribute. Thank you! Our whole yearly meeting community grows deeper and stronger in a culture of generosity. PYM warmly appreciates a gift of any size.

Line 6, Total Contributions Income

For unrestricted funds, contributions represent 50% of Line 11, Total Funds Available. Restricted contributions represent 8% of Total Funds Available. Total contributions represent 36% of budgeted Total Funds Available in FY 2021.

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 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 for PYM as a private foundation. Income can be difficult to predict since some of these funds base their distributions on market values as of certain date, such as December 31. To be prudent, we have assumed slightly lower income for FY 2021.

Line 9, Event and Program Fees

Unrestricted revenue includes fees from residential Annual Sessions, other programs and events, and rental income and events at Arch Street. The budget assumes in-person Annual Sessions in the summer of 2021 and more normal activity at Arch Street next spring and summer. Restricted fees are associated with Friends Counseling Service.

Line 10, Administrative Fees

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, 2020.

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 \$2.84 million derive 50% from contributions and 50% from investment income, program income and fees. Restricted total funds available of \$1.376 million are 8% from contributions and 92% from investment income, program income and fees. Combined funds available of \$4.2 million represent an increase of 2.3% over the FY 2020 Projection.

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

In FY 2021, PYM expects to have 20.9 full-time equivalent employees (FTEs) in the unrestricted budget and 3.4 FTEs in the restricted budget. Restricted funding for staff comes from restricted investment income (notably the Theodore H. Nitsche Fund, which will provide Arch Street with more than \$90,000 in support next year) and from funding provided by the Arch Street Meeting House Preservation Trust, which will cover Arch Street program staff in 2021 .

At \$1.34 million, the salaries and wages budget for FY 2021 is 6% above the 2020 projection of \$1.26 million, which trails its budget of \$1.38 million. PYM did not fill the open controller position and is still using Your-Part-Time-Controller in that role. Consultant expenses for the controller role are recorded on Line 18, Professional & Service Fees, and not in Line 12. The FY 2021 budget includes a) an across-the-board cost of living adjustment, effective Oct. 1, 2020, and b) long-overdue adjustments to senior staff salaries resulting from a review of objective salary benchmarking surveys of similarly sized nonprofits in the Philadelphia region, as directed by Administrative Council. (See posted Admin Council minutes of March 2020.)

Line 13, Payroll Taxes, Benefits and Employee Travel

Benefits include health insurance, workers comp insurance, staff training and pension funding. We were able to budget a lower pension assessment in FY 2021, thanks to strong investment returns in calendar 2019, but we have estimated higher health insurance costs for calendar 2021.

Line 14, Total Staff Expenses

Total staff expenses are budgeted at \$2.0 million, a 4.1% increase over the FY 2020 projection.

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 501(c)(3) charities, mainly religious organizations such as FGC, AFSC, FCNL, FWCC and the National Council of Churches, in accordance with the Chace will. Friends Fiduciary is trustee of the Chace Fund. Contributions also include Louisa & Corson Poley Fund income granted to Burlington Quarter, per the 2017 Burlington Meeting House Agreement, and outreach grants 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. Restricted grants should decline in FY 2021 from FY 2020, which included \$300,000 funded from restricted reserves (accumulated, unspent income from prior years) due to the timing of some large Quaker building grants awarded in the fall of 2019.

Line 17, Event and Program Expense

The unrestricted budget covers a range of programs: Annual Sessions, Continuing Sessions, youth programs, other smaller programs, publications, and a Quaker Life Council “program envelope” to support collaboratives, programs and events.

Restricted expense includes Friends Counseling Service, 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 that support online giving to PYM and the monthly meetings, and routine consulting and legal work. Currently the work of the PYM controller is performed on a consulting basis. Restricted spending is budgeted for ASMHPT.

FY 2021 spending is budgeted lower than the FY 2020 projection. The current year has included additional consulting around the PYM database and additional accounting costs associated with the FY 2019 audit and the implementation of Financial Accounting Standards Board (FASB) Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-For-Profit Entities.

Line 19, Development Expense

Unrestricted costs are for PYM and restricted costs for ASMHPT.

Line 20, Copying, Printing and Postage

Unrestricted costs are for PYM and restricted costs for ASMHPT.

Line 21, Rent (Friends Center Expenses and Other)

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 22, Utilities

Gas, electric and water at Arch Street Meeting House and telephone at PYM’s offices and Arch Street.

Line 23, Office Supplies and Support

Expenses for office supplies and miscellaneous administrative expenses.

Line 24, Computer Support and Licenses

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

Line 25, Insurance

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).

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

Budgeted at \$4.36 million or 98% of the 2020 Projection, mainly from lower expected grants, Line 16.

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. The 2020 deficit is larger due to the timing of some large grants. See Line 16, Contributions to Others.

Line 30, Capital Reserve Funds for Repairs at Arch Street

Unrestricted repairs expensed in Line 26 that will be 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.

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 2021.

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

PYM expects to have 20.9 FTEs in the unrestricted budget and 3.4 in the restricted budget, for a total count of 24.3, level with FY 2020's expected year-end employee count.

Questions or comments?

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