

UUCSV Budget background, FY 2014-15

1. Revenues

Membership pledges (Acct. Code 4001) The pledge payment estimate was reduced FY in 14-15, based on past trends, by five percent to account for pledge units that either have not made payments or have made small payments for the amount of \$202,735.

OF NOTE: This represents a decrease over anticipated estimates for the year of about \$13,000 that required reconciliation, as the board is charged with passing a balanced budget.

Sunday service collections (Acct. Code 4002) The budget was ahead of projections in this area, mainly because of the new program Share the Plate. At some point, this program may not generate the anticipated revenue, so remaining aware of trends in this revenue source is important.

Average weekly collections run about \$325 x 40 weeks for a regular week for \$13,000.

(Account code 4010) Collections for STP weekends average about \$480 x 12 weeks for \$5,760.

It is anticipated that the church will collect a little over \$18,000 for the next fiscal year.

New member pledges (Acct. Code 4003) The budget includes last year's amount of \$3,000 for new members, but this area could change, depending on the number of new members the church attracts this year.

Other Offerings (Acct. Code 4009) NET 0

This is a pass-through for donations from Share the Plate, and monies collected are then disbursed to donor organizations (Account code 5220, Social Welfare Projects). Therefore, this revenue line does not affect revenue estimates.

OF NOTE: Special Appeals Collection (Account code 4011): This is a new account code created to help balance the church budget. This year, the approximate amount needed to balance, after reviewing committee requests and deciding to hold off on some expenses, is \$1,500, and it's anticipated that one or more special collections will take place in FY 14-15 to bring the budget into balance. This amount could increase or decrease annually, depending on pledges and expenses.

Fundraising revenue (Acct. Codes 4101 - 4150)

Auction (4101): The budget maintains last year's income of \$19,000.

Holiday Bazaar (4102): It appears that this fundraiser will change or be eliminated.

Therefore, the projected income of \$2,000 has been taken out of the budget, leaving a net zero for this line item.

Yard Sale Revenue (4103): Last year's yard sale grossed \$1,800 more than the budget estimate. However, everything came together to make this one such a success and may not be repeated. The budget maintains \$4,000 in revenue in 14-15 from this event.

Social Events Revenue (4105): This revenue comes from church-sponsored social events, like Heart-to-Heart Café and no change was included.

Prepaid Grocery cards (4150) (Net) \$5,000

Only the net proceeds only are included from this fundraiser.

Coffee basket/donations (4151): This is a new designation for the budget. Previously, sales of Free Trade coffee generated revenue for the weekly coffee. That program suffered from lack of a designated sales team and was ended.

OF NOTE: With that revenue source gone, donations among church members for the weekly coffee after services will be more important than ever. Donations can include monetary gifts and/or actual donations of coffee to offset this weekly expense. The budget estimates that \$400 will be raised to cover this expense in FY 14-15.

Concerts income (4153): With the church using unpaid musicians exclusively, this account code was zeroed out in the FY14-15 budget, along with related expense line (Acct. Code 9153).

Other fundraiser (4199) (Net) 0

These are special collections, such as the Sunday Service collection for the NAACP, and donations to the Blue Ridge Hospice and 5K run, and GAYT. This code(s) is used to record income and disbursements for amounts that are collected and given to other organizations. This money is collected and out of the congregation, therefore collections/disbursements are equal and this account code is zeroed out.

OF NOTE: The Board has charged the congregation with raising an additional \$1,000 for FY 14-15 by concentrating more fully on fundraising efforts across the board. Therefore, \$1,000 has been added to the entire fundraising revenue estimate to account for this challenge.

Building rental income (4300): This area was mainly on target for FY 13-14 and appeared to exceed the projection by \$500 to \$1,000. The variable is the Meditation group, which collects voluntary contributions and cancels when weather conditions are bad. The budget increases this projection by \$500 for a total of \$4,500 in FY 14-15.

Investment income (4400): operating

Other income (4900): The budget includes the same estimates as in the FY 13-14 budget

II. Expenditures

Sunday service expense (Acct. code 5000)

Sunday service speakers (5002): By the third quarter, this account was running at \$200 out of \$1,150 set aside, therefore \$650 was budgeted for FY 14-15, for a total of \$650.

Service music (5003): By the third quarter, this account was running ahead of budget; after talking with Marianna, this area remains budgeted at \$3,000 for FY 14-15.

Other Sunday service expenses (5009): This budget item was retained at \$320. As of the third quarter, \$100.20 was spent from the \$320 available.

OF NOTE: There was discussion about adding \$500 for cleaning the sound system and adding a new hand held microphone and headsets, but it was determined that the cleaning could be done among volunteers for less money and purchases should be delayed.

Coffee expenses (5009.9) This new line item added to the budget is to record the coffee expenses for the year, which is estimated to be \$500. With the Fair Trade Coffee program expired to cover coffee expenses, the budget reflects this expense item.

Religious Education (5100):

Curriculum and Supplies (5101): RE has begun and would like to continue updating books and materials, and has requested a \$500 increase in this area for FY 14-15.

Volunteer Training and activities (5103): This budget item was maintained at \$200 for the fiscal year.

Summer RE program (5104): As of mid-year, the \$300 set aside for this program was not used, but may be this summer. The budget maintains the set aside of \$300 for FY 14-15.

RE child care (5105): This budget item allocated \$900 for the first six months of the fiscal year.

OF NOTE: With expenses for Sunday child care exceeding budgeted amounts by \$520 in the third quarter and higher for the entire fiscal year, and some concern that the number of children requiring this service each week is low, discussions will be necessary with the congregation to determine how to handle child care costs in the future, including how much to charge, who is responsible for training and staffing, whether parents should be required to volunteer, and whether these costs are sustainable.

Spirit Play for Rainbow Riders (5106): The budget item is being eliminated, resulting in a net zero.

Special Events (5107): The budget maintains the \$250 set aside from the previous year for this area, which includes costs for the Easter egg hunt, the Christmas social, Day of the Dead, and other special celebrations for the children.

Board committee activities (5200)

Board of Directors (5201) The budget has been decreased to \$250 for this area.

Stewardship Committee (5204): The committee requested an additional \$250 for activities related to the annual pledge drive.

Social Events (5205): Maintain at previous year level of \$200

Lifespan and Faith Development (5207): Maintain at previous year level of \$200.

Membership Committee (5208): This committee is requesting \$915 this year, an increase of less than \$100 over last year, with the biggest expense going to orientation booklets and brochure.

Social Action And Justice Committee (5209): An allowance for minor operating expenses is included and the \$300 from last year has been maintained. There was a request for \$1,000 to cover travel expenses for committee members who attend social action and justice event out of town, but this amount was not included in the FY 14-15 budget.

Communications Committee (5210): This is a committee with new responsibilities and requested \$100 for their activities in FY 14-15.

Social welfare projects (5220) This account code was the pass-through account for the new Share-the-Plate collection, which will be distributed to approved agencies. This account code has been moved to Account code 4002, as part of Sunday collections. During past years, the budget allowance for this line item was \$3,500. The STP program, approved by the board, calls for a dollar-for-dollar reduction in the Account code 5220 allowance for every STP dollar received by a donor organization. In effect, we are funding Social welfare projects out of STP collections, instead of through general operating revenue. The budget assumes STP collections of \$5,100 for FY 14-15, which means this is the amount passed on to other organizations. If STP collections exceed \$5,100, the additional amount will be posted under this account code. If STP collections are below the \$3,500 allowed, the difference will come out of general revenues.

Other Social Action and Justice (5221): This is the pass-through fund for Distabor, the

Indian orphan boy supported by the church, and The Guest at your table program. Because funds coming in equal those being given out, this account code is a net zero.

Annual Fund Drive Consulting/FORTH (5222): This is a new account code to reflect that this committee is requesting \$2,000 to hire an outside consultant to help with annual pledge drives.

OF NOTE: The board voted to fund this initiative with reserves, rather than operating revenue. The operating budget, therefore, reflects no funding for this initiative in FY 14-15, and this expense will be covered with monies taken from reserve funds.

Ministry (5223): This is a new account code in the budget, as this committee is requesting a one-time budget expense of \$500 for training their committee members at a JPD workshop, with the intent to bring back their knowledge and train the congregation. The budget reflects no funding for this initiative in FY 14-15.

Denominational Dues (5301 and 5302): JPD dues have been increased by \$1 per member, or from the current \$27 per member to \$28. UUA dues, which are currently \$60 per member, are not likely to increase. The congregation has a certified membership of 173, so costs for UUA will be \$10,380 and JPD to \$4,844 for FY 14-15.

OF NOTE: The board and congregation are tasked with looking at JPD dues this fiscal year to determine if paying almost \$5,000 in annual dues to this organization has resulted in tangible and/or intangible benefits to the congregation and whether that expense merits continuation.

Operating Expenses: (Account codes 6000-6019):

Telephone and Telecommunications (6001): Costs in this area continue to increase beyond the budgeted amount. To be realistic, and recognizing that expenses rarely decrease, \$2,500 was budgeted for this item.

Postage (6002): This item has been maintained at \$350 for the fiscal year, as more communication is anticipated to be sent electronically.

Office Equipment (6003): This is a difficult area to predict expenses, but there are potential updates or maintenance to the software system that have been discussed, therefore this area has been increased to \$2,000, from \$1,700. As of the third quarter, this area is running ahead of budget by \$443, for a third quarter expense of \$1,718.

Insurance (6004): The church changed its insurance carrier last year and saved about \$3,200 a year. This year's budget includes \$4,000 for the payment of insurance next year, due in two semi-annual payments.

Payroll Services (6006): This account code has been maintained at \$875 for the next fiscal year.

Office Supplies (6008): This is an area that continues to be ahead of budget projections, and as of the third quarter, is running about \$400 over budget. The minister explained that as the church grows, so do the costs of office supplies, in the form of paper, copier and printing ink and other office-related expenses. The budget includes an increase of \$600 over last year for a total of \$2,600.

Bookkeeping Services (6011): This item has been adjusted to annualize the increase in the bookkeeping contract as approved by the board in December, 2013.

Miscellaneous Operating Expenses (6019): This budget item has been reduced to \$200, because it is trending below projections.

Salaries and Benefits (Account Code 7000-7500):

The COLA Adjustments for salaries tied to the CPI for the greater Washington, DC, area have been added to each administrative salary; the adjustment is 1.7%. Salary increases also trigger an increase in retirement benefits for staff, calculated at a flat 10% of gross salary, and which also leads to increases in the employer's share of FICA/Medicare taxes.

All upward adjustments, therefore, reflect either the salary contract adjustment made mid-year in FY 13-14 for bookkeeping and office manager, and the COLA adjustments and other adjustments required by law for all paid staff, minister, RE director, office manager, bookkeeper, music director and musician.

OF NOTE: Minister's salary, housing, SECA (7101, 7102, 7109): The minister has chosen to defer his annual salary adjustments to help with budget constraints this year.

RE Director Salary (7203): This budget item was increased \$3,000, plus FICA and other related expenses, to bring the annual salary to contractual amount of \$36,000 for FY 14-15.

Music Director Professional Development (7402): An additional \$500 was requested by the minister to send the music director to an UUA music workshop. The budget reflects no increase in this budget item for FY 14-15.

Building and Grounds (8000)

Custodial Services (8001): The budget has been maintained at \$4,500 for this area, based on trends from last year.

Electricity (8002): The budget has been maintained at the \$6,000.

OF NOTE: Expenses as of third quarter for electricity are running at \$6,500, so this line item needs to be watched closely for ways to reduce it or to fund it more fully to reflect actual costs.

Water/Sewer (8003): The budget has been increased in this area to \$600.

OF NOTE: Water/sewer expenses as of third quarter are running ahead of budget, at \$515. This area also needs to be watched for ways to reduce it or to fund more fully to reflect actual costs.

Lawn care and snow removal (8005): The budget under this account code is running ahead of projections, largely due to the large amounts of snow this winter that required removal. Lawn mowing costs are also increasing as the church moves from having volunteers mow the lawn at no cost to paying \$60 per mow. Consequently, the budget for this line item has been increased to \$1,000 for FY 14-15.

Grounds maintenance (8006): The grounds committee requested an increase of \$1,000 for anticipated enhancements to the grounds. This budget item was maintained at \$500.

Building Maintenance (8007): To hold the line on expenses this year, this area was budgeted at \$3,000.

OF NOTE: If unexpected and large costs should arise this year to the physical plant that exceed budgeted operating funds, it's possible that funding will be taken out of building reserves, which was created for this purpose.

Storage Rental (8009): The unit is larger than anticipated, and so are attendant costs. The budget for this item was increased to \$550 for FY 14-15.

OF NOTE: Expenses for this area as of third quarter are ahead of budget at \$555. There was some discussion among the board to look into purchasing a new shed to be located on church property to offset rental costs over time.

Financial Expense (8500)

Mortgage interest (8501) Interest payments on the loan are based on the loan amortization schedule for the 12 monthly payments to occur during FY 14-15.

OF NOTE: The board has asked the Investment and Finance committees to look at refinancing the mortgage to reduce interest expenses long term.

Development Expenses (9000) and Fundraising Expenses: (9100):

Auction Expenses (9101): The budget is maintained at \$650 for this line item. The board is considering different approaches to funding expenses for this fundraiser.

Holiday bazaar expenses (9102): Expenses for this line item have been zeroed out to reflect the discontinuation of this program.

Yard sale expenses (9103): The budget has been reduced to \$400 for this item.

Bank card expenses (9104): Spending is below projections and the budget has been reduced to \$1,200 for this expense.

Concert expenses (9153): This line item has been removed from the budget.

Transfer to Building reserve: \$4,700

Transfer from reserves: Annual Stewardship/FORTH: \$2000

Other potential expenses that would require a transfer of funds:
The Grounds committee requested approximately \$6,300 for the addition of a playground on the premises.

#####