

Notes on 2021 Operating Budget for Fall Sessions, November 2020

From the Financial Services Committee (FSC)

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2021 Proposed Budget

	Original 2020 Budget	Revised 2020 Budget	2021 Baseline Budget	C/Y/YA \$50,000 Increase	C/Y/YA \$100,000 Increase
Total Income	\$938,173	\$643,470	\$902,720	\$922,720	\$952,720
Total Expense	\$957,581	\$690,560	\$941,868	\$991,868	\$1,041,868
Surplus/Deficit	(\$19,408)	(\$47,090)	(\$39,148)	(\$69,148)	(\$89,148)

The Baseline budget does not include any staff C/Y/YA support.

The \$50,000 Increase budget would allow the continuation of the current staffing with a small increase for children's programming.

The \$100,000 Increase budget would provide flexibility in staffing and programs.

	Original 2020 Budget	Revised 2020 Budget	2021 Baseline Budget
Income			
Covenant Donations	430,453	400,000	410,000
Grants	64,000	64,000	64,000
Contributions - Unrestricted	45,000	40,000	40,000
Contributions - ARCH Designated	10,000	10,000	20,000
Trust Fund Distributions	68,900	68,900	68,900
Mortgage Payments	13,320	13,320	13,320
Sessions	276,500	17,250	276,500
Programs/Other	30,000	30,000	10,000
Total Income	\$ 938,173	\$ 643,470	\$ 902,720
Operating Reserve to Cover Planned Deficit	19,000	47,000	
Total Income using Reserve	\$ 957,173	\$ 690,470	
Expenses			
Personnel	438,200	430,700	413,000
Office Support	49,700	50,500	58,000
Administration	47,271	47,770	52,943
Publications and Communications	22,500	22,500	16,000
Sessions	263,350	11,200	267,900
Contributions to Other Organizations	88,050	88,050	88,050
Expense of Reps to Affiliated Organizations	15,820	9,650	17,400
Committees and Working Groups	26,740	24,240	18,575
Programs/Other	5,950	5,950	10,000
Total Expense	\$ 957,581	\$ 690,560	\$ 941,868
Surplus/Deficit	(\$19,408)	(\$47,090)	(\$39,148)

Expect to end 2020 with surplus so will not use operating reserve

Need consistent yearly meeting policy

		Baseline	\$50,000 Increase	\$100,000 Increase
Covenant Donations		410,000	\$10,000	\$20,000
Contributions - Unrestricted		\$40,000	\$10,000	\$10,000
Contributions - C/Y/YA				\$20,000
All other		\$452,720		
Total Income		\$902,720	\$922,720	\$952,720
Personnel		\$413,000	\$50,000	\$100,000
All other		\$528,868		
Total Expense		\$941,868	\$991,868	\$1,041,868
Actual Surplus/Deficit		(\$39,148)	(\$69,148)	(\$89,148)
Excess Operating Reserve	\$180,000	\$39,000	\$69,000	\$89,000
"Balanced Budget" Surplus/Deficit		(\$148)	(\$148)	(\$148)

Priorities

The annual operating budget is a statement of our collective priorities. The purpose of this document is to describe each of the major line items in the operating budget and how they relate to our priorities.

Leadings and Priorities

This is a summary of the leadings and priorities adopted by the yearly meeting for five years starting in 2014.

- We envision a yearly meeting deeply grounded in the practice of our faith.
- We envision a yearly meeting made up of strong, vital monthly meetings.
- We envision a yearly meeting gathered together into one body.
- We envision a yearly meeting that nurtures our children, youth, and young adults.
- We envision a yearly meeting that supports and amplifies our witness.
- We envision a yearly meeting that is accountable and transparent.

Nurturing Children, Youth, and Young Adults

From the report of the Personnel Committee at Summer Sessions 2018:

The work of engaging with children, youth, and young adults is inherently about outreach. Most of our local meetings have so few young people that we all benefit by working together to attract more.

From minutes of Summer Sessions 2018:

The yearly meeting body is already wounded from missed opportunities to nurture our youth, support them through their mistakes and ours, and strengthen our community by investing in the next generations.

From the report of the Young Adult Field Secretary at Summer Sessions 2019:

What do Young Adults Need? (first of 8 needs)

1. We need sustainable infrastructure to support, encourage, and nurture us at the yearly meeting level. We believe that the community that we have built is a strong first step and also know that true stewardship of and care for the young adult community requires the yearly meeting to invest in us and in our futures by funding a full-time, multi-year field secretary position devoted exclusively to building and sustaining young adult Friends.

From the report of the Young Adult Field Secretary at Summer Sessions 2020:

2020-07-35. Marissa Badgley, serving as interim young adult field secretary, ... reminded us that her work week is only 20 hours per week, and urged us to consider what might be accomplished by a full-time young adult field secretary. ... She compared the results of the Covid-19 survey taken by the yearly meeting, which show that the pandemic has hurt young adults more severely than it has older Friends. ... she urges the yearly meeting to find the funds to support a full-time young adult field secretary.

Witness against racism

From the Witness Coordinating Committee in January 2020:

Our Creator calls for us all to treat each other with justice and equality. Following our testimonies and leadings of the Spirit, we therefore affirm that NYYM must consider all budgets and policy decisions through a lens that looks at structural racism and our leading to become an anti-racist and multicultural faith community.

Support of Children, Youth, and Young Adults (C/Y/YA)

Background

At different times from 2014 through 2017, the yearly meeting had two part-time Field Secretary positions: one focused on children and youth, one focused on young adults. The positions were partially funded by the Shoemaker grant. Both positions were un-staffed in 2018.

At Summer Sessions 2018, the Personnel Committee recommended a full-time staff position to support children, youth and young adults. In order to cover the wide range of skills needed to support these groups, the minute recommended a program similar to the ARCH model. The minute is on page 23 of this document.

As the budget presented at Summer Sessions 2019 did not include the position recommended in 2018, a task group was formed to identify additional sources of income. The task group recommendations were presented at Budget Saturday 2019.

In September 2019, the yearly meeting hired an interim part-time Young Adult Field Secretary funded through year end 2019 within the existing personnel budget.

FSC presented two budgets at Fall Sessions 2019 – one that continued the Young Adult Field Secretary position through mid-year 2020 and one that provided the full support for C/Y/YA as specified in the 2018 recommendation of the Personnel Committee. Because the plan developed by the task group included redirecting funds away from other programming, there was not time before Fall Sessions 2019 to fully season these suggestions and ensure the choices being made truly reflected the priorities of the yearly meeting. Therefore, FSC recommended, and the body approved, the budget with interim staff support for young adults. This allowed the current interim secretary to continue her work and was a first step towards full funding of staff support for C/Y/YA. FSC promised to continue working towards the goal of full staff support and to bring a revised budget back to Spring Sessions 2020. This did not happen as Spring Sessions 2020 was cancelled.

At the time the impact of the Covid-19 pandemic on the immediate financial health of the Yearly Meeting was uncertain. The officers developed a revised 2020 budget that included funding of the interim Young Adult Field Secretary for the full year. This was done without an increase in budgeted personnel costs, due to reduced costs related to cancellation of in-person summer sessions. This budget was approved at Summer Sessions 2020.

Interim Program Support for C/Y/YA – 2018 to 2020

In the absence of staff support, the yearly meeting sponsored several programs with temporary staff or consultants.

- While transitioning to a new position, the children and youth field secretary continued to support the monthly meeting partner project through 2018 and 2019, with limited support continuing into 2020.
- After Summer Sessions 2018, the General Secretary and Personnel Committee accepted an unsolicited proposal to fund a Young Adult Spiritual Nurture Series of retreats from Fall 2018 to July 2019.
- The 2020 budget included a \$5000 allocation for programs for children and youth.
- A call for proposals for projects to support children and youth was sent out after summer sessions and three proposals for activities in the 4Q of 2020 have been funded.
- Several Friends have volunteered to lead activities to support children, youth, and families in virtual space.

Proposed C/Y/YA Support

In creating the 2021 budget, the major increase is related to support for children, youth, and young adults.

Since the original proposal by the Personnel Committee at Summer Sessions 2018 for the yearly meeting to hire one fulltime person, with a three-year commitment to that funding, the yearly meeting has experienced the advantages of a more flexible way of staffing. The Financial Services Committee (FSC) recommends that the yearly meeting leave aside the idea of investing in one full-time position funded for three years.

Instead, FSC recommends allocating adequate funding for staffing and programs that support children, youth and young adults. The general secretary, working with the Personnel Committee, would be authorized to determine the optimal staffing structure to meet the goals laid out in the 2018 minute.

In order to add permanent staff, as contrasted with interim or temporary staff, the yearly meeting would want confidence that any staff positions are sustainable – can be funded for a minimum of three years.

Funding C/Y/YA

At Fall Sessions 2018, Trustees agreed to direct the income from the mortgage for the sale of the Stamford-Greenwich Meetinghouse for use in annual operations for 3 years: 2019 to 2021.

The 2019 task group recommended several potential sources of additional income.

- increased covenant donations from monthly meetings
- increased contributions from individuals
- redirecting distributions that currently flow to the Meeting House and Properties fund to operations
- directing some of the distributions from the Lindley Murray Trust Fund to operations
- redirecting distributions from unrestricted trust funds, most of which are currently designated for funds under the care of the Witness committees.
- drawing down unrestricted trust fund principal

The task group did not identify excess operating reserve as a potential source of income.

The 2021 proposed budget includes the first two recommendations of the task group and the excess operating reserve.

The yearly meeting is not in unity about the use of the other potential sources recommended by the 2019 task group.

Lindley Murray Contributions	\$20,000
Witness Unrestricted Fund Distributions	\$17,000
Meetings and Properties Fund Distribution	\$5,000
Unrestricted Trust Fund Principal	\$1,000,000

Concern on Increased Covenant Donations

The yearly meeting membership is decreasing and many meetings are aging. Covenant donations have been flat over the past six years. Some meetings are struggling and may not be able to commit to contributing more.

However, several meetings and quarters/regions do have significant trust funds and other sources of income. Increased support for children, youth and young adults would be an incentive for additional contributions.

Concern on Increased Individual Contributions

Direct contributions have increased over the past six years with the establishment of a Development Committee and the ARCH fundraising efforts. But contributions have begun to level out.

However, several members of the yearly meeting do have the ability to make individual contributions beyond their support of their local meetings. Staff support for children, youth and young adults would be an incentive for increased contributions from individuals.

Concern on Meeting Houses and Properties Fund

This fund was established by the Trustees to assist monthly meetings in renovation and larger maintenance projects. The majority of the principal came from the sale of yearly meeting properties so there is no restriction on that portion of the distributions or the principal.

The NYYM Trustees regularly receive applications and the amounts sought well exceed the available income. Redirecting the unrestricted income and/or drawing down the principal would significantly reduce the amount available for this purpose. In 2020, Trustees received requests from 11 meetings; they requested \$51,000 for projects costing \$90,000 total. Trustees funded 8 of the requests with grants ranging up to \$1,500.

Concern on Redirection of Grants from Lindley Murray Fund

The Lindley Murray fund disburses about \$29,000 per year to other organizations. About \$8,500 is contributed to Oakwood Friends School and Powell House, organizations under the care of NYYM. The task group recommended that the remaining balance be directed to the operating budget.

The recipients of the 2020 grants have been informed that there may be a decision to redirect the Lindley Murray grant funds and the fund is not currently accepting grant applications for 2021. Some of the past grants support people of color and there would be a similar concern as with the impact of redirection of Witness funds.

Some Friends are concerned that offsetting the yearly meeting annual operating expenses is not the right use of the fund and is not in keeping with the designation of the many donors to the fund. Other Friends observed that support for children, youth, and young adults includes support for people of color.

The fund is already supporting Powell House and Oakwood and the contribution could be structured as a contribution to one or both organizations and correspondingly reduce the contribution in the operating budget.

Concern on Impact to Witness Committees

The distributions of some unrestricted funds are currently directed to funds under the care of the Witness committees. The amount distributed to the Sharing Fund from the unrestricted funds represents less than 20% of the 2020 Witness budget for the Sharing Fund.

Witness Coordinating Committee read a minute to Fall Session 2019. The minute pointed out that the possible redirection of the distributions of several trust funds from Witness funds to the operating budget would be contrary to the goal expressed in the yearly meeting epistle from last year, of addressing structural racism within our yearly meeting. Most or all of the Witness funds impacted are used to support people of color in various ways.

Other Friends pointed out that when the distributions flow to the operating budget, the yearly meeting as a body can include support for the affected committees and this is the proper transparent way to discern the use of these distributions.

Concern on Honoring Donor Designation

Some Friends expressed a concern that the yearly meeting should continue to honor the original designation of a bequest or gift, even when the amount has been fully distributed. Here is an example:

Ellen Collins left \$15,000 in 1926 for temperance work with no restriction on preservation of principal. The yearly meeting decided to invest the principal and use the income for the designated purpose. The fund is now worth about \$120,000; the distributions are currently directed to the Prisons Committee.

Since the yearly meeting long ago disbursed \$15,000 for temperance work, the principal and the distributions can be used for any valid purpose discerned by the body.

Some Friends expressed concerns that the right action for the yearly meeting is to continue to honor the donor designation; they question whether the donor understood that the bequest could be invested and then future distributions could be used for a different purpose.

Other Friends believe that many donors did want to give the yearly meeting flexibility to meet evolving needs and that this is no longer the right use of these funds. Instead, the yearly meeting as a body should discern the use of the principal and distributions of the fund.

Some Friends believe that the yearly meeting cannot legally change the designation and that the principal and the disbursements must all be used for the original designated purpose. The Trustees have classified the fund as unrestricted and do not support this understanding.

Concern on Drawing Down Trust Fund Principal

The yearly meeting can only draw down for yearly meeting operations the principal of unrestricted funds that do not specify the preservation of principal: less than \$1 million of the total \$6.4 million value of the invested trust funds as of June 2020.

The amount going to annual operations will decrease by about 3% to 4% of the amount drawn down. So if the yearly meeting draws down \$100,000 of principal, the trust fund distributions income to operations will be permanently reduced by about \$3,000 to \$4,000 per year going forward.

Concern on Need for Shared Funding

The Financial Services Committee confirms that increased funding for C/Y/YA should be shared among multiple additional income sources in order to be sustainable. Continuing draw down of principal of yearly meeting trust fund principal is not sustainable. Continuing excess operating reserve is also not sustainable.

Expenses

Personnel

These expenses represent the largest portion of the operating budget.

Yearly Meeting Staff

- The General Secretary oversees the work of the yearly meeting staff, serves on financial services, fundraising, sessions, meetings for discernment, and personnel committees, and provides support to monthly meetings in the areas of leadership, conflict, spiritual gifts, visitation, and more. This is a full-time position.

The yearly meeting includes the following office staff: (all are part time positions)

- The Associate Secretary supervises office staff, manages most office functions and assists the NYYM committees and monthly meetings. This position transitioned to part-time in 2020.
- The Administrative Associate maintains the records and handles all the financial transactions.
- The Communications Director produces the weekly online newsletter, the printed SPARK newsletter, and other communications about the spirit moving across the yearly meeting.
- The Digital Communications Director maintains the website and facilitates the use of online tools to support the committees and meetings doing the work of social justice and spiritual renewal.

The yearly meeting includes the following staff supporting outreach:

- The ARCH (Aging Resources, Consultation, and Help) program under the guidance of the ARCH Director, a full-time position, supports NYYM Friends through a network of 7 part-time staff paid about 10 hours a month and assisted by several volunteer ARCH Visitors.
- The Young Adult Field Secretary supports over 250 young adults with spiritual community. Offerings include workshops, retreats, a mentorship program, and virtual worship along with opportunities for community and fellowship. This is a part-time position.

Personnel	2017 Actual	2018 Actual	2019 Actual	2020 Budget
Staff Salaries	320,152	310,463	316,685	312,000
Medical and Pension Benefits	37,033	46,744	38,468	41,000
Other Wage Related Expenses	38,942	32,537	27,116	34,200
Staff Development	990	-	570	1,000
Staff Travel	22,153	14,237	14,395	7,500
Total Permanent Staff	\$419,270	\$403,981	\$397,234	\$395,700
Interim Young Adult Field Secretary				35,000
Total Interim Staff	\$0	\$0	\$0	\$35,000
Total Personnel	\$419,270	\$403,981	\$397,234	\$430,700

In 2019, the cost of medical benefits decreased because of an about \$8,000 refund from the insurance company for excess premiums paid in past years. The yearly meeting expects to receive the last half of this refund in 2020. Employees with a job description of 30 hours or more a week, receive 100% coverage for the employee and 50% coverage for a spouse. Employees eligible for Medicare receive a stipend to offset increased costs.

All employees are eligible for the pension plan; the yearly meeting matches up to 5% of employee contributions. The budget for pension benefits increased in 2020 as part-time employees now participate in the plan.

ARCH Funding

ARCH expenses are offset by an annual grant from the Friends Foundation for the Aging (FFA), by contributions to the Aging Concerns Fund, and by distributions from a yearly meeting invested trust fund designated for support of aging concerns. Some income is also received from ARCH programs and publications.

	2019 Actual	2020 Est	2021 Budget
Aging Concerns Fund	22,685	20,000	20,000
FFA Grant	64,000	64,000	64,000
NYYM Designated Fund	4,602	4,573	4,500
Total ARCH support	\$91,287	\$88,573	\$88,500

Staffing Options

Baseline Budget

The baseline staff cost for 2021 includes the current permanent staff without any staff specifically focused on children, youth and young adults.

Personnel	2020 Budget	2021 Baseline
Staff Salaries	312,000	314,000
Medical and Pension Benefits	41,000	51,000
Other Wage Related Expenses	34,200	32,000
Staff Development	1,000	1,000
Staff Travel	7,500	15,000
Total Permanent Staff	\$395,700	\$413,000

In 2020, the cost of medical benefits was offset by an \$8,000 refund from the insurance company for excess premiums paid in past years. No refund will be received in 2021.

The budget for staff travel was reduced in 2020 due to the cancellation of in-person meetings. The 2021 budget assumes that staff travel will resume in 2021 at the previous level. The current plan is to hold in-person sessions.

Recommended Salary Increase

Year	COLA	Salary Increase
2017	0.3%	3%
2018	2.0%	2%
2019	2.8%	2%
2020	1.6%	2%
2021	1.3%	2%

The yearly meeting strives to provide an annual cost of living adjustment (COLA) to the salaries of permanent staff. The Personnel Committee recommended a 2% pay increase for 2021 as a forward-looking adjustment reflecting urban cost increasing. The recommendation followed a discussion where Friends living in New York City noted they had already seen rising costs for food, transportation, and other living expenses. The recommended 2% increase is included in the 2021 baseline budget. It applies to all permanent staff.

Eliminating the increase reduces the Personnel budget by about \$7,000.

C/Y/YA Staff Options

The 2021 budget allocates a fixed additional amount to be used for staffing and programs that support children, youth and young adults. The general secretary, working with the Personnel Committee, is authorized to determine the optimal staffing structure to meet the goals laid out in the 2018 minute.

These are the two allocation choices for 2021:

- The \$50,000 Increase budget would allow the continuation of the current staffing with a small increase for children's programming.
- The \$100,000 Increase budget would provide flexibility in staffing and programs for children, youth, and young adults.

Administration

These are the expenses related to the office in NYC under a rental agreement with New York Quarterly Meeting which owns the building. This category also includes insurance and other administrative expenses.

	2017	2018	2019	2020	2021
Administration	Actual	Actual	Actual	Budget	Budget
Administrative Expenses	16,891	12,491	16,787	13,500	17,500
Liability Insurance	10,897	9,866	10,681	11,407	11,569
Rent and Utilities - 15th St Office	23,481	23,134	21,163	22,863	23,874
Total Office Administration	\$51,269	\$45,491	\$48,630	\$47,770	\$52,943

The Administrative Expenses line includes about \$8,000 in credit processing fees related to online contribution expenses. Some of this expense is offset by contributions when donors opt to pay the fees.

The Administrative Expenses line also includes communications infrastructure such as phone, internet, Zoom and web hosting. It also includes postage, office supplies, office volunteer support and miscellaneous expenses associated with running an office.

A portion of the distribution from the invested trust funds is designated to pay the fair share costs of liability insurance and bookkeeping services.

Office Support

	2017	2018	2019	2020	2021
Office Support	Actual	Actual	Actual	Budget	Budget
Office Equipment & Support	2,508	1,871	3,299	3,500	4,000
Bookkeeping Service	31,200	31,200	31,200	32,000	32,000
Temporary Staff/Consultants	10,632	6,139	5,788	15,000	22,000
Total Office Support	\$44,340	\$39,210	\$40,287	\$50,500	\$58,000

The Office Equipment & Support line includes monthly software licenses and related computer equipment.

The yearly meeting uses a bookkeeping service to keep the accounts in QuickBooks and create checks. The service also manages the employee payroll.

The Temporary Staff/Consultants line varies as needed.

- The Standard Operating Procedures consultant was funded by a transfer from the Trustee Reserve Fund in 2019 and the work is still ongoing.
- The Programs for Children line supported several initiatives in 2020; the line is not funded in 2021 pending a decision on overall additional C/Y/YA support.
- The website consultant allocation is for assistance with the upgrade to a simpler and more widely used platform like WordPress; security support on the current platform is being phased out. The new platform will enable multiple people to post to the website and eliminate the current process which flows through a single person.
- The Summer Sessions line is for temporary staff to handle logistics for summer sessions. These had been previously handled by the associate secretary who has transitioned to part-time.

	2020	2021
Temporary Staff/Consultants	Budget	Budget
Summer Sessions Support		10,000
Consultant – Standard Operating Procedures	5,000	3,000
Consultant – Programs for Children	5,000	
Consultant – Outreach	3,600	
Consultant – Database		3,000
Consultant – Website		5,000
Other	1,400	1,000
Total Temporary Staff/Consultants	\$15,000	\$22,000

Publications and Communications

These are the expenses incurred in producing and distributing the SPARK newsletter, the Handbook, the Yearbook, the Advance Reports sent before summer sessions, and Faith and Practice. This line does not include the cost of the Digital Communications Director or the Communications Director.

Faith and Practice helps ground us in our faith. Spark and the weekly emails publicize and promote witness activities across the yearly meeting. Minutes and reports from NYYM business meetings and committees are distributed via the Advance Reports before summer sessions and the Yearbook compiled after summer sessions. Copies of the Yearbook, sent to every meeting and everyone serving on a committee, includes personal contact information that is not stored on the yearly meeting website. The yearly meeting website includes digital versions of all of the publications.

	2017	2018	2019	2020	2021
Publications & Communications	Actual	Actual	Actual	Budget	Budget
NYYM Publications	12,842	20,334	14,771	17,500	16,000
ARCH Publications	-	-	-	5,000	
Total Publications & Communications	\$12,842	\$20,334	\$14,771	\$22,500	\$16,000

Contribution for Faith & Practice	\$1,589	\$2,272	\$1,281
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The ARCH publications expense is related to design and printing of documents supporting the ARCH program. These costs are eventually partially offset by contributions for the publications. The additional expense for ARCH publications was funded by a transfer of \$5,000 from the balance in a fund under the care of the Mosher Committee. The fund was closed in 2019.

The 2018 expense was higher than normal due to a large printing of Faith and Practice.

The publications expense is offset by about \$4,000 in annual distributions from a yearly meeting invested trust fund designated for printing and distributing documents in support of Friends testimonies.

Sessions

The yearly meeting holds three sessions each year for the body to gather together in person: spring weekend, summer week, and fall weekend. Because of Covid-19, the yearly meeting canceled Spring Sessions 2020 and held Summer Sessions 2020 online over a two week period. Fall Sessions 2020 will be online

For the past several years, summer sessions have been held at the YMCA Silver Bay Association on Lake George. Junior Yearly Meeting (JYM) is the gathering of children and teens at summer sessions.

The yearly meeting has a contract with Silver Bay for 2019 to 2021. In 2020, Silver Bay waived the contractual obligations for that year.

Beginning in 2021, spring sessions will be hosted by Oakwood Friends School while fall sessions will continue to rotate among different regions. To reduce the impact upon host regions, the Sessions Committee will take on the responsibility of booking venues and invite regions to provide support as they are led.

The 2021 plan is to hold sessions in person with selected online participation. The 2021 budget assumes that attendance at summer sessions will be similar to 2019. There is, however, concern that the Covid-19 pandemic and the availability of online access may lead to lower attendance; this may require a change to the contract.

The income from sessions has generally been sufficient to cover the direct costs related to sessions. However, staff time, staff travel, and staff stays are not included in the expenses shown below.

The Sessions budget also does not include the cost of temporary staff to handle logistics for summer sessions. This expense is shown under the Temp/Consultant line and is about \$10,000.

	2017 Actual	2018 Actual	2019 Actual	Original 2020 Budget	Revised 2020 Budget	2021 Budget
Fall/Spring Sessions						
Registration & Meals Income	11,394	14,166	14,984	14,500	7,250	14,500
Program Expense	10,161	27,134	12,710	5,000	2,500	10,000
<i>Fall/Spring Sessions Surplus/Deficit</i>	<i>\$ 1,233</i>	<i>\$(12,968)</i>	<i>\$ 2,274</i>	<i>\$ 9,500</i>	<i>\$ 4,750</i>	<i>\$ 4,500</i>
Summer Sessions						
<i>Income</i>						
Registration and Contributions	20,887	20,133	46,362	47,000	10,000	47,000
Silver Bay Stays			214,656	215,000	-	215,000
<i>Expenses</i>						
Summer Sessions Program	8,263	46,151	10,153	8,500	4,250	8,500
Junior Yearly Meeting Program	13,818	15,574	11,686	15,000	-	15,000
Bible Study & Worship	670	1,000	700	950	950	1,000
Silver Bay Contract: Stays			227,988	228,000	-	228,000
<i>Summer Sessions Surplus/Deficit</i>	<i>\$(1,863)</i>	<i>\$(42,592)</i>	<i>\$ 10,490</i>	<i>\$ 9,550</i>	<i>\$ 4,800</i>	<i>\$ 9,500</i>
Sessions Committee Expense						
Sessions Committee	1,520	2,543	2,414	3,500	2,500	3,000
Junior Yearly Meeting Planning	740	1,614	2,335	2,400	1,000	2,400
<i>Committee Expense</i>	<i>\$ 2,260</i>	<i>\$ 4,157</i>	<i>\$ 4,749</i>	<i>\$ 5,900</i>	<i>\$ 3,500</i>	<i>\$ 5,400</i>

The 2018 increase in summer sessions expense was due to a new contractual agreement with Silver Bay that required a \$40,000 deposit to reserve space for 2019, 2020, and 2021. This deposit will be applied to the cost incurred in the last year of the contract and is essentially a prepaid expense.

The 2018 increase in spring and fall sessions expense was associated with the chosen locations for the meetings.

The significant increase in 2019 income and expense for summer sessions was because the yearly meeting was responsible for collecting the income and managing the reservations at Silver Bay. 2019 was also the first year that the yearly meeting implemented pay as led for summer sessions; some paid more than the cost of the accommodations while others paid less. NYYM was able to cover the total cost with the income received. The 2021 budget assumes that the yearly meeting continues pay-as-led for Summer Sessions 2021.

Committees and Working Groups

Much of the work of the yearly meeting is done by volunteers working within the committee structure. The budget allocations are primarily for modest travel and related expenses. The actual expenses are typically lower than the budget as many Friends do not request reimbursement of their expenses.

The yearly meeting is organized by sections which coordinate the work of related committees and working groups. The allocation for the coordinating committees covers the expenses for the coordinating committee clerks and for committees and working groups under the care of the coordinating committee that have modest needs and do not submit a separate request.

The General Services section oversees the committees responsible for administration such as personnel, communications, sessions, and development.

The Ministry section oversees the committees and working groups that care for the spiritual life of the Yearly Meeting. This section also sponsors programs such as the Pastor's conference, the Bible Study at summer sessions, and the Spiritual Nurture Working Group. The Committee to Revise Faith and Practice is now funded under the coordinating committee.

The Witness section oversees the committees that support witness activities and discern the contributions to others that support Friends witness. The income and disbursements under the care of the Witness Coordinating Committee, generally referred to as the Sharing Fund, is not part of the annual operating budget. The Witness operating budget allocation is used to cover travel and related expenses of the committees.

Committees are typically set up to address continuing work. Task groups and working groups set up for specific work and then laid down when that work is complete create more flexible opportunities to serve.

Committees and Working Groups	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget
General Services Coordinating Committee	1,029	1,631	49	1,300	1,300
Ministry Coordinating Committee	895	777	590	1,000	1,000
Committee to Revise Faith and Practice				95	
Witness Coordinating Committee			458	1,500	1,500
	<u>\$1,924</u>	<u>\$2,408</u>	<u>\$1,097</u>	<u>\$3,895</u>	<u>\$3,800</u>
Aging Concerns Committee	7,886	12		775	775
Development Committee	2,659	1,280	2,729	7,500	5,000
Ministry & Pastoral Care Committee				500	500
Powell House Committee			1,000	1,000	1,000
Youth Committee	434	1,455	98	1,000	1,000
	<u>\$10,979</u>	<u>\$2,747</u>	<u>\$3,827</u>	<u>\$10,775</u>	<u>\$8,275</u>
Conflict Transformation Working Group	493	6,079	863	2,850	1,000
Meeting for Discernment	221		788	800	800
Outreach Working Groups	305	5,067		3,000	2,500
Spiritual Nurture Working Group	1,541	1,090	554	1,920	1,200
Task Group on Racism			744	1,000	1,000
	<u>\$2,560</u>	<u>\$12,236</u>	<u>\$2,949</u>	<u>\$9,570</u>	<u>\$6,500</u>
Total Committees and Working Groups	<u>\$15,463</u>	<u>\$17,391</u>	<u>\$7,873</u>	<u>\$24,240</u>	<u>\$18,575</u>

Programs/Other

Program/Other Expense

While sessions are the major gatherings sponsored by the Yearly Meeting, there are several other programs and gatherings led by staff and committee volunteers.

Program Expense	2020 Budget	2021 Budget
ARCH Programs	200	200
Youth Programs	2,000	2,000
Young Adult Programs	2,000	2,000
Pastor's Conference	1,250	1,250
Books (Mosher contribution)	500	500
Miscellaneous Expenses		4,050
	\$5,950	\$10,000

In addition to the budgeted program expense, the 2021 budget includes an additional allocation for miscellaneous expenses – those that are not predictable.

Program/Other Income

Some of the program expenses are partially offset by contributions from attendees. This income is budgeted as a general estimate as it is difficult to predict for any given program.

Program Income	2018 Actual	2019 Actual	2020 Budget	2021 Budget
ARCH Programs	\$4,735	\$1,534		
Young Adult Programs	\$430	\$398		
Conflict Transformation Workshops	\$4,810	\$5		
Pastor's Conference	\$120			
Total Program Income	\$10,095	\$1,937		\$2,500
Faith & Practice	\$2,272	\$1,281		
Mosher Fund Transfer for ARCH			\$5,000	
Closed Funds	\$511		\$5,000	
Bequest			\$7,500	
Miscellaneous Income	\$5,565	\$11,363	\$12,500	\$7,500
Total Program/Other Income	\$18,443	\$14,581	\$30,000	\$10,000

Contributions to Organizations

Quaker Organizations Under the Care of NYYM

Oakwood Friends School

The yearly meeting names a majority of the members of the board of the school.

The school receives contributions from several sources within the yearly meeting.

- Direct allocation in the operating budget
- Distributions from trust funds under the care of the Trustees. These are mainly donor designated bequests left for Oakwood under the care of the yearly meeting trustees.
- Grants from the Lindley Murray trust fund
- Grants from funds under the care of Witness committees

Oakwood Friends School	2018	2019	2020	2021	
Operating Budget	\$5,300	\$5,300	\$5,300	\$5,300	Operating Budget
NYYM Trust Funds	\$58,021	\$57,600	\$53,539	\$53,500	Estimate
Lindley Murray	\$6,000	\$6,000	\$6,000	\$6,000	Estimate
	\$69,321	\$68,900	\$64,839	\$64,800	

The allocation in the 2021 budget is the same as 2020. Trustees have not yet set the distribution rate for 2021 but the expectation is that the amount will be about the same as 2020. The Lindley Murray grants are determined in early 2021 and the expectation is that the amount will be about the same as 2020. The Witness support is typically between \$2000 and \$4000 depending on student needs.

Powell House

Powell House is the conference and retreat center of NYYM and provides year-round programs for meetings and their members. These programs foster spiritual growth after the manner of Friends and work to strengthen the application of Friends' testimonies in the world. An important part of this is Powell House service to youth and to young adults. Powell House is critical to our work with these younger F/friends as individual meetings often lack the critical mass to make effective service to these individuals possible. The Powell House facilities are also available for monthly meeting retreats.

Powell House receives contributions from several sources within the yearly meeting.

- Direct allocation in the operating budget
- Distributions from trust funds under the care of the NYYM Trustees
- Grants from the Lindley Murray trust fund
- Fund raising events at summer sessions
- Contributions from Witness funds

Powell House	2019	2020	2021	
Operating Budget	\$75,700	\$75,700	\$75,700	Operating Budget
NYYM Trust Funds	\$3,540	\$3,492	\$3,500	Estimate
Lindley Murray	\$2,550	\$2,550	\$2,550	Estimate
	\$81,790	\$81,742	\$81,750	

The allocation in the 2021 budget is the same as 2020. Trustees have not yet set the distribution rate for 2021 but the expectation is that the amount will be about the same as 2020. The Lindley Murray grants are determined in early 2021 and the expectation is that the amount will be about the same as 2020.

The annual contributions to Powell House from summer sessions events ranges from about \$2,000 to \$4,000.

Affiliated Quaker Organizations

NYYM is affiliated with the following wider Quaker organizations: Friends United Meeting (FUM), Friends General Conference (FGC), and Friends World Committee on Consultation (FWCC).

Since 2014, the annual contributions to these organizations have been stable. Before 2014, the yearly meeting contribution was significantly higher. In 1972, the contribution to FUM and FGC from the operating budget was \$6000 each, equivalent to about \$35,000 each in 2020.

	2007	2013	2014 to 2020	2021 Budget
Friends General Conference (FGC)	\$8,000	\$5,000	\$2,500	\$2,500
Friends United Meeting (FUM)	\$8,000	\$5,000	\$2,500	\$2,500
Friends World Committee (FWCC)	\$4,000	\$2,000	\$1,000	\$1,000
FWCC Section of the Americas	\$150	\$150	\$300	\$300
	\$20,150	\$12,150	\$6,300	\$6,300

In addition to the support in the operating budget, FUM receives about \$3,500 per year from a trust fund designated for FUM missions that is under the care of the World Ministries Committee.

Regional Membership Organizations

The yearly meeting is a member of two regional Council of Churches organizations. The contribution level in the 2021 budget is the same as the 2020 contribution.

From the FSC report for the 2020 budget approved at Fall Sessions 2019:

Both budgets include a proportional contribution to each council.

	2019	2020	2021 Budget
NJ Council of Churches	\$225	\$250	\$250
NYS Council of Churches	\$700	\$500	\$500

Other Organizations

Prior to 2020, the operating budget included contributions to several other worthy organizations such as Friends Council on Education and American Friends Service Committee. A decision was made in approving the 2020 operating budget to limit contributions in the operating budget to the related organizations, affiliated organizations, and regional Council of Church organizations.

From the FSC report for the 2020 budget approved at Fall Sessions 2019:

Other Organizations – Both budgets use the rationale that discernment of which other external organizations should receive funding is best made by Witness Coordinating Committee, using Sharing Fund proceeds. Neither budget includes any offsetting allocation to Witness to fund these organizations.

The committees under the care of the Witness Coordinating Committee (WCC) provide contributions to some of the other organizations previously named in the operating budget as well as many other organizations. The income and disbursements under the care of the WCC committees is not part of the annual operating budget. The general term “Sharing Fund” is used to describe the income and disbursements.

The table below shows the actual income under the care of the WCC committees.

	Sharing Fund	2017 Income	2018 Income	2019 Income
Individuals and Meetings		\$36,694	\$30,865	\$26,665
Trust Fund Distributions		\$49,482	\$47,345	\$46,659
Total Income		\$86,176	\$78,210	\$73,324

WCC sets the annual contributions goal at a meeting in January; the 2020 goal is documented in the 2020 treasurer reports.

Expenses of Named Representatives

Appointees to Affiliated Quaker Organizations

The yearly meeting names representatives to FUM, FGC, and FWCC. This affiliation gives the yearly meeting the opportunity to contribute to and learn from Friends throughout the world.

The organizations specify the maximum allowable number of representatives based on the number of members in a yearly meeting. The Nominating Committee names the yearly meeting representatives.

While many representatives will pay for their own expenses and consider it a contribution, budgeting for full costs allows the yearly meeting to broaden and diversify representation.

FUM

The yearly meeting names two representatives to the FUM board which meets in Indiana twice a year in triennial years and three times a year in other years. Prior to 2021, the yearly meeting named three representatives; current NYYM membership numbers allow only two.

FGC

The yearly meeting can name up to 12 representatives to the FGC Central Committee which meets in the fall for a three day meeting; currently there are 5 representatives. One representative is selected to represent NYYM at FGC Executive Committee, which meets two or three times a year at locations all over the country. Each representative is expected to serve on a subcommittee; subcommittees meet at least once a year.

The FGC Gathering is held annually; it is a spiritual nurture event and no business is conducted. As there is no role for a yearly meeting representative, no funding is provided in the operating budget to attend the event.

FWCC

The yearly meeting can name 5 representatives to FWCC based on the size of the current NYYM membership. FWCC organizes its work through four section offices and a world office; NYYM is a member of the Section of the Americas and the Northeast Region of the Section of the Americas. Named representatives attend the regional, section, and world gatherings.

Regional meetings are held as led; the cost is included in the budget in the year in which the meeting will be held. NYYM is the host for the 2020 regional meeting but it will be held on-line so costs will be minimal.

Section meetings are held every other year and are provided in the provision funds.

Appointee Expense

The table below shows the 2021 estimated travel and related costs to attend the 2021 meetings of affiliated Quaker organizations. At this time, it is not known if the meetings will be in-person, virtual, or a hybrid. The table shows the costs if the meetings are held in-person.

Attend Board/Section Meetings	# of Reps	Average Cost	# of Meetings	Total Cost
FGC Central Committee	5	400	2	4,000
FGC Executive Committee	1	400	3	1,200
FUM Board	2	450	2	1,800
FWCC Northeast Regional Meeting	5	350	1	1,800

Appointee Budget

The 2021 budget provides the total cost for FGC, FUM, and FWCC appointees. The budget is for yearly meeting appointees to travel to the named meetings. If the meeting is held virtually, the budget line should not be used for any other purpose.

Attend Board/Section Meetings	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget
FGC Committees	1,563	600	1,071	2,700	5,200
FUM Board	1,063	3,341	3,933	2,700	1,800
FWCC Regional Meeting	1,917	1,680	1,161	1,800	1,800
Total Appointee Budget	\$4,543	\$5,621	\$6,165	\$7,200	\$8,800

Provision for Gatherings Not Held Annually

An amount is set aside each year and held in reserve so there is sufficient money to support representatives in the year that the gathering is held. This supports smoother annual budgeting.

While many representatives will pay for their own expenses and consider it a contribution, budgeting for full costs will allow the yearly meeting to broaden and diversify representation.

FUM Triennial

FUM holds a world-wide meeting every three years. The 2020 triennial was scheduled to meet in Kenya. The yearly meeting named six representatives to the 2020 triennial. FUM estimated the cost from the US at \$3,500 per attendee or a total cost of \$21,000. Funding was approved in the 2020 budget to provide for \$10,500, half of the total attendee cost.

The FUM Triennial planned for 2020 in Kenya was cancelled. There are tentative plans to hold the gathering in Kenya in the summer of 2021. Some costs had already been booked and it is anticipated that these reservations will be used in 2021 or reimbursed and added back into the triennial fund.

FWCC Section of the Americas Gathering

Section meetings are held every other year. The next meeting was scheduled for 2021 in Florida but it is currently scheduled to be an on-line meeting.

FWCC World Gathering

The next gathering is scheduled for 2024 in South Africa. The cost per attendee is about \$3,000 for a total cost of \$15,000 for 5 attendees. The World Gathering is not held every year; the current plan is not less than 3 years and not more than 10 years between gatherings. In a year in which there is a World Gathering, the Section of the Americas meeting is not held.

2021 Budget

The table below shows the estimated travel and related costs to attend the gatherings and the expected date and location of the gathering.

<i>Gatherings from Provision Funds</i>	Year	Location	Reps	Per Rep	Total Cost
FUM Triennial Fund	2021	Kenya	6	\$3,000	\$18,000
FWCC Section of the Americas	2021	Virtual	5		
FWCC World Gathering	2024	S Africa	5	\$3,000	\$15,000

The table below shows the 2021 budget provision.

Provision Funds	YE 2019 Balance	2020 Provision	2020 Expense	YE 2020 Balance	2021 Provision	2021 Available
FUM Triennial	2,330	2,000	2,540	1,790	6,200	7,990
FWCC Section Gathering	2,598	450	-	3,048	-	3,048
FWCC World Gathering	5,578	-	-	5,578	2,400	7,978

The 2020 budget decision was to pay for half of the estimated cost of attendance of named representatives at the FUM triennial at a cost per attendee of \$3,500 or a total allocation of \$10,500. There is now a more informed estimate of \$3000 per NYYM attendee. The 2021 provision for the FUM Triennial restores the provision fund to the amount approved in 2020 which will provide more than half of the expenses of the attendees. Full support for representatives to the FUM Triennial requires an additional \$7,500.

If the FUM Triennial is not held in-person in 2021, the budgeted amount should not be transferred to the fund.

The 2021 provision for the FWCC World Gathering is one-fourth of what is needed to have about \$15,000 available in the fund for use in 2024 assuming this is the same budget allocation in 2022, 2023, and 2024. This will cover the total cost for 5 attendees.

There is no need for a 2021 provision for the FWCC Section Gathering as the meeting is currently planned to be on-line. If the meeting is held in-person, the balance in the fund is sufficient to cover the full expenses of 5 attendees.

Income

Covenant Donations

Covenant donations from monthly meetings are the largest contributor to operating income. In early September, individual meetings were asked to affirm their 2020 contribution and project the annual contribution for 2021. Many meetings are not ready to make this commitment until year end.

Over the past 6 years, most meetings have met their projected contribution; a few have been able to contribute more while some were not able to meet their full projection. The overall amount has remained relatively steady since 2014 but represents a significant decrease from the receipts prior to 2009.

2008 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Covenant	2020 Revised
478,616	417,371	435,070	432,387	434,751	417,339	428,712	435,198	400,000

There has also been a significant decline in membership as recorded by the yearly meeting office.

1980 Members	2000 Members	2019 Members
5,668	3,750	2,987

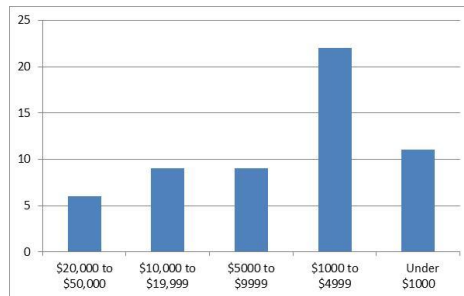
The range of contributions from meetings varies widely. The table below shows the relationship of the meeting covenant donation to the number of meeting members as recorded by the yearly meeting office.

Average	Median	Smallest	Largest
\$138	\$118	\$12	\$420

The total amount of the covenant donation by meeting also varies widely. For 2020, 58 meetings provided projected covenant donations in the ranges shown in the table and chart below.

2020 Covenant Donations

\$20,000 to \$51,000	10.3%	6
\$10,000 to \$19,999	15.5%	9
\$5000 to \$9999	15.5%	9
\$1000 to \$4999	39.7%	23
\$500 to \$999	13.8%	8
\$100 to \$499	5.2%	3



The 2021 budget includes different covenant donation estimates based on C/Y/YA options.

Baseline	\$50,000 Increase	\$100,000 Increase
\$410,000	\$420,000	\$430,000

Grants

NYYM applies for grants and receives funding from other organizations to help support specific areas of operations. Over the past several years, NYYM received funding from two major grant sources.

- The Friends Foundation for the Aging (FFA) helped fund the start of the ARCH (Aging Resources, Consultation, and Help) program and continues to provide a significant level of annual ongoing support. The 2017 amount also included \$10,000 for a strategic plan.
- The Thomas H. and Mary Williams Shoemaker Fund focuses on projects in line with the strategic goal of renewing and strengthening the Religious Society of Friends. The multi-year grant helped fund staff support for children and youth and an initiative called the Vital Meetings Program.

Grants	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget
FFA	84,000	69,000	64,000	64,000	64,000
Shoemaker	27,785	16,000	16,887		
Other	5,000				
Total	116,785	85,000	80,887	64,000	64,000

Contributions

Unrestricted

These are individual unrestricted contributions, generally received as a result of the annual appeal. The Development Committee is responsible for the programs associated with these contributions.

2014	2015	2016	2017	2018	2019	2020	2021	2021	2021
Actual	Actual	Actual	Actual	Actual	Actual	Budget	Baseline	\$50,000	\$100,000
32,951	35,247	38,833	44,561	64,517	50,379	40,000	40,000	50,000	50,000

The 2015 to 2016 numbers are the actual amounts received for the annual appeal and do not match the treasurer reports; a portion of the year-end surplus was added to the amount – a practice since discontinued.

The 2017 number is also lower than the amount shown in the treasurer report; the discrepancy is due to an accounting adjustment in the way the yearly meeting tracked the contributions to the annual appeal. This adjustment brought the yearly meeting in compliance with generally accepted accounting principles.

The 2018 income included a matching grant and a onetime single contribution of \$25,000.

ARCH Designated

These are contributions designated to support the ARCH program. The Aging Concerns fund receives these contributions during the year. At the end of the year, the total operating cost of the aging concerns work is determined. The total cost in excess of grants to support the aging concerns work and contributions for ARCH products and services is then deducted from the Aging Concerns fund. If the fund balance is not sufficient to cover the excess cost, the remaining cost is covered as a normal operating expense. If the fund balance exceeds the excess cost, the balance remains in the fund.

Other Contributions

The 2021 budget assumes that Friends will be able to indicate that their contribution is for support of children, youth, and young adults.

	Baseline	\$50,000 Increase	\$100,000 Increase
Contributions - Unrestricted	\$40,000	\$50,000	\$50,000
Contributions - C/Y/YA			\$20,000

Friends have a history of generous contributions for specific causes.

Other Contributions	2019
Annual Appeal	\$50,379
ARCH - Aging Concerns	\$22,685
Sharing Fund	\$26,665
Sessions Pay-as-Led	\$46,362

Trust Fund and Trustee Designated Income

NYYM holds the assets of several trust funds and directs the distributions from these funds to various uses. The sources of the trust funds are bequests and other contributions from Friends and income from the sale of the assets of Meetings that are laid down.

Trustees invest the assets and determine the distributions from the invested principal. The goal is to maintain steady income for the recipients and preserve the purchasing power of the principal.

Trustees also designate a portion of the income of the invested trust funds as a fair share of the administrative expenses of managing the investments: expenses like bookkeeping and liability insurance.

Types of Trust Funds

Some trust funds are **undesignated funds**; the distributions can be used for any purpose approved by the yearly meeting. Others are **donor designated funds**; the donor specified a specific use such as support of Native American causes or support of Oakwood Friends School.

Some trust funds have a **donor restriction on the use of the principal** and specify that only the income is to be used. Others are **unrestricted** and do not require that the principal be invested and only the income be used.

For **unrestricted** donations, the yearly meeting may decide to preserve and invest the principal and only use the income. This decision can be changed at any time by the yearly meeting.

Trust Fund Contributions

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget
Trust Funds	24,605	40,505	33,096	55,444	55,426	74,939	68,900	68,900
Mortgage Income						13,318	13,320	13,320

The significant rise in contributions from 2016 to 2017 was the result of a decision to direct all the undesignated and related funds to operations; related funds included those designated for ministers and aging concerns. Prior to 2017, the Trustees were involved in vetting requests for grants from several unrestricted funds. The Trustees recommended and the yearly meeting agreed that these resource-allocation decisions would more appropriately be made by the yearly meeting body.

In addition to the trust fund distributions, the 2019 income included an allocation of \$10,000 from the reserve funds under the care of the Trustees to be used to support a consultant working on operating procedures.

The 2020 income included the distribution from the Henry H. Mosher fund. The Committee for the Disbursement of the Mosher Fund was laid down in 2019. The income from the Henry H. Mosher fund is now used to cover operating expenses associated with Yearly Meeting printing and other communications expenses. The Mosher Committee had traditionally donated about \$500 worth of books to prisons; this will continue and is shown in the Other Programs section of this document.

Lafayette Fund

The New York Quarter holds this fund and sends the distribution to the yearly meeting for the training and support of members. There is no application for this grant. The annual distribution is about \$4,000. The income is included in the trust fund income section of the budget.

Asset Income

The Asset Income is the mortgage income from the sale of the Stamford-Greenwich meeting that was laid down in 2010. The property was sold in May 2013 and the Trustees hold a mortgage until June 1, 2028. The yearly meeting at Summer Sessions 2013 approved that the principal be held for investment, the income be applied to the operating budget, and the mortgage receipts be added to the principal of the trust as they are received.

The yearly meeting at Fall Sessions 2018 approved that the mortgage receipts be directed to the operating budget for three years: 2019, 2020, and 2021.

Operating Reserve

The operating reserve is the accumulation of cash from years when the yearly meeting had a surplus and the reduction of cash from years when the yearly meeting had a deficit. A review of the year-end treasurer reports since 2007 (these are available on the yearly meeting website) shows that, with the exception of 2015, the yearly meeting ended the year with a surplus,.

History of Surplus/Deficit

In years prior to 2017, the surplus was understated in the treasurer reports as a portion of the surplus was moved to funds. This practice was discontinued in 2017. The table below shows the actual surplus/deficit.

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$13,140	\$4,919	\$2,565	\$626	\$19,323	\$41,352	\$15,925	\$11,943	\$(10,748)	\$44,059

The 2012 surplus was due to an increase of about \$18,000 in budgeted covenant donations – one meeting sent the check in after the books closed for the previous year.

The 2015 deficit was related to the cost overrun of the professional audit; against a budget of \$15,000, the yearly meeting paid about \$43,000 – a budget overrun of about \$28,000.

The 2016 surplus was due to transferring about \$21,500 from the Young Friends in Residence fund to the operating budget. The fund had been underused for several years.

The table below shows the actual surplus/deficit for the years 2017 to 2019 and the projected amount in the operating reserve at year end 2020.

	2017 Actual	2018 Actual	2019 Actual	2020 Estimate
Surplus/Deficit	\$56,955	\$(35,195)	\$79,250	
YE Reserve	\$300,650	\$265,456	\$336,706	\$360,000

The 2017 surplus was due to transferring about \$10,500 from closed funds to the operating budget as it was determined that the mission of these funds should be in the operating budget. Most of the funds had been underused for several years. The surplus also included about \$25,000 related to the suspension of the professional audit.

2018 was not actually a deficit year. The \$40,000 deposit to Silver Bay for 2019-21 Summer Sessions will be credited in the last year of the contract so it is a pre-paid expense. Without this deposit, the 2018 year-end would be about \$5,000 surplus even with the spring/fall sessions overrun of about \$13,000.

The 2019 surplus was primarily due to unbudgeted contributions to the Aging Concerns Fund, an about \$8,000 refund check from the medical insurance company, and a \$15,000 consultant contribution that was not used in 2019 but would be used in 2020.

	2019 Budget	2019 Actual	Surplus
Aging Concerns Fund	-	22,685	22,685
Medical and Pension	49,226	38,468	10,758
Temp Staff/Consultant	23,800	5,788	18,012

Amount Needed for Cash Reserve

The first step in deciding the optimal amount of cash to hold in reserve is to ask “why,” “when” and “what if”.

Why? As a general guideline, the reserve should be sufficient to cover three months of expenses if a situation arose where there was no additional income during that period. The monthly expenses are about \$50,000.

The primary source of operating income, covenant donations from meetings, does not come in evenly while expenses are typically more even. There are other dependable sources of income: the FFA grant comes in before the start of the year; invested trust fund contributions come in June and December of the current year. Many monthly meetings have a history of quarterly payments. About 60% of the covenant donations come in the last half of the year.

When? In recent history, the yearly meeting has not had a cash flow issue.

What if? The Financial Guidelines Document describes the process for handling the situation.

Appendix

Leadings and Priorities

We envision a yearly meeting deeply grounded in the practice of our faith.

We hear a clear sense from Friends that the core of all they do centers in their Meeting for Worship and their life as a community. In support of this, their primary focus, Friends seek help in spiritual deepening, in developing clerking skills, in understanding principles of meetings for business, in understanding the role of vocal ministry and afterthoughts, in practicing pastoral care and conflict transformation, in participation in first day school and adult religious education programs. We, the Body of Friends gathered through our New York Yearly Meeting, recognize as a Priority for the yearly meeting the development of programs to teach and share our spiritual skills with each other, and to help meetings to revitalize themselves.

We envision a yearly meeting made up of strong, vital monthly meetings.

Meetings and Friends seek information and assistance with the necessities of operating a meeting, such as insurance, cemetery maintenance, fund-raising and advancement. We, the Body of Friends gathered through our New York Yearly Meeting, recognize as a Priority for the yearly meeting the development of programs to help sustain our monthly meetings financially and to increase membership.

We envision a yearly meeting gathered together into one body.

Friends express a deep yearning for increased contact and connection with each other. Regular interaction among Friends throughout New York Yearly Meeting helps sustain and deepen our Society. We, the Body of Friends gathered through our New York Yearly Meeting, recognize as a Priority for the yearly meeting the pursuit of greater contact and spiritual relationship among Friends.

We envision a yearly meeting that nurtures our children, youth, and young adults.

We hear Friends' call to focus attention on integrating our children, youth and young adults into the fabric of our community and to provide opportunities for them to experience and reflect on our spiritual practices. We seek to offer abundant opportunities and welcoming spaces for exploring and growing into the Light. We seek to make our monthly meetings a place where they can develop loving relationships with peers and adults, where youth are supported as they transition to adulthood, and where young adults are recognized for their gifts and encouraged in their participation in their monthly meetings and beyond. We, the Body of Friends gathered through our New York Yearly Meeting, recognize as a Priority for the yearly meeting the nurturing of our children, youth, and young adults.

We envision a yearly meeting that supports and amplifies our witness.

Meetings and Friends look to the yearly meeting to be an active presence in the broader society for Friends' faith, values, ministry and witness. Through the yearly meeting, Friends can magnify our impact on our communities, nation and the world. Our collective voice speaks more loudly than those of individual Friends or monthly meetings. The yearly meeting affords the opportunity for Friends carrying common concerns to act in concert. We, the Body of Friends gathered through our New York Yearly Meeting, recognize as a Priority for the yearly meeting the responsibility to be an active voice for Friends' faith, values, ministry and witness in the world, and to support Friends active witness.

We envision a yearly meeting that is accountable and transparent.

Meetings and Friends express concern that the yearly meeting organization has not been fully accountable and transparent in its operations. We envision a yearly meeting whose structure and operations are well understood by all Friends, and which is a faithful expression of the leadings of those Friends that make up the yearly meeting. In approving this Statement to guide our activities in the immediate future, we also bear a duty to assure that these Leadings and Priorities are faithfully implemented. We, the Body of Friends gathered through our New York Yearly Meeting, recognize as a Priority for the yearly meeting the responsibility to hold itself accountable to the above priorities, ensuring their faithful fruition.

Minute Approving New Field Secretary Position – Summer Sessions 2018

2018-07-22. John Cooley (Central Finger Lakes), clerk of General Services Coordinating Committee, introduced the report from the Personnel Committee.

Pamela Wood presented the recent history (see Attachments) of two part-time Field Secretary positions: one for Children and Youth, one for Young Adults. Both positions are currently un-staffed. Personnel is proposing to combine the two part-time positions into one. The new position would provide benefits, which would aid recruitment. The position would be structured following the model that has worked for the Aging Resources Consultation and Help (ARCH) program. In that model, one full-time person anchors the program while local coordinators, working on a monthly stipend, carry out the work in closer connection to monthly meetings. Local coordinators can also be hired to balance any missing skills (children and youth vs. young adults) of the full-time person.

This new arrangement could raise expenses as much as \$50,000 per year. While this might be accommodated in the short term, additional funds will need to be found for long-term support.

Personnel Committee proposes to begin the process of creating a job description and looking for candidates, with a report expected at the next yearly meeting session.

We approved the forming of this position. We affirm this vital work. And we charge our committees (especially Financial Services) to craft a 2019 budget that includes this position.

2018-07-23. Young adult Friends spoke from the body and challenged the yearly meeting body to prepare Friends of every age to more fully participate in our business processes, and to address ageism in every aspect of our functioning. We are called to invite youth and young adults to participate, that we may hear the voices, become curious about the gifts among us, and engage with our whole ministry.

The yearly meeting body is already wounded from missed opportunities to nurture our youth, support them through their mistakes and ours, and strengthen our community by investing in the next generations.

In filling the new position of Youth and Young Adult Field Secretary, we are challenged to remember and avoid potential barriers to hiring: age, race, gender, sexuality, and membership status. We are called to do great work—we need all ages and kinds of people to do it.

Minutes on Funding from Trustees – Fall Sessions 2018

Trustees recommended:

2018-11-13. First, that in 2019, 2020 and in 2021 all income from the mortgage held by NYYM for the sale of the Stamford-Greenwich Meetinghouse be payable directly to the Yearly Meeting for unrestricted use in annual operations. This amount is \$13,320 per year. (This minute overrides NYYM Minute 2013-07-51.) Friends approved.

2018-11-14. Second, that, starting in 2019, the dividend from the Fund for Sufferings accumulation of \$33,000 be directed to the Yearly Meeting for unrestricted use in annual operations. The amount is estimated at \$1300 annually. Friends approved.

2018-11-15. Third, that the Yearly Meeting reprioritize the use of our current income prior to tapping trust fund principal, making hard choices as necessary. In particular the Trustees recommend the Yearly Meeting explore redirecting the approximately \$20,000 per year in unrestricted trust fund income that currently goes to select committees and organizations and instead have that income go to general operations. These groups have been notified of this possibility. No decision was taken on this recommendation at this session (See Minute 2018-11-?? of Sunday session).

2018-11-16. That no final decision about tapping trust fund principal be made at Fall Sessions. The Yearly Meeting needs time to come up with a plan once the exact 2019 budget gap is known, which will likely be in early 2019 when the 2018 Final Treasurer's Report is available. Furthermore, Trustees recommend that prior to liquidating the principal of any unrestricted trust funds, the Yearly Meeting have in hand a time line and long-term financial plan that ensures the use of principal is sustainable and appropriately limited.

Policy on Exceeding Budget Allocation

When a Coordinating Committee anticipates exceeding its budget the following procedure will be used:

1. The Committee will determine whether either a budget line item in its budget can be reduced or new revenue is available equal to the overage.
2. If step 1 does not resolve the overage, then the Clerk of the Coordinating Committee will request permission from the Liaison Committee to exceed the Coordinating Committee's budget.
3. The Liaison Committee will consult with Financial Services Committee and base its determination on 3 factors: (a) whether the overage can be covered by a decrease in another line item in the Yearly Meeting Budget, (b) whether there is new revenue available to offset the overage and (c) how important the new initiative to be funded by the overage is to implementing the Yearly Meeting's Leadings and Priorities.

Approved by: Financial Services Committee 4/7/2018

Witness Coordinating Committee (WCC) Travel Guidelines

Policy (approved version) for use of WCC travel budget and Named Representatives line

In order to reduce greenhouse gas emissions and to save limited funds, the WCC meets via electronic communication when possible, but there are times and topics that benefit from people meeting and worshipping in person. We will use the following principles as guidelines when approving travel expenses for WCC or the Named Representative line in the Sharing Fund:

- The gathering is pertinent to the work of NYYM's Witness Coordinating Committee, either directly as a WCC member or a Named Representative to an outside organization, or because of a closely shared mission (eg, FWCC, FCNL, AFSC, QEW).
- The person traveling on behalf of the WCC to outside organizations or conferences will give a written report to WCC and at least one of the following:
 - Oral report at next WCC committee meeting
 - Oral/written report to your monthly meeting
 - Oral/written report to your regional meeting or other meetings in your area
 - Photo and short statement (or video) to the communications director to share via NYYM digital communications
 - Article to Spark
 - Talk to a local non-Quaker group.

We also appreciate such reports from people who fully fund their own travel.

In the spirit of "pay as led," people will pay for as much of the related expenses as they can from their own resources, but they should also feel comfortable asking for assistance whenever needed

If multiple people from one committee are going to the same outside event as representatives, please consider as a committee the number of people going/total and submit a single group request for the finance sub-committee's approval before vouchers are submitted individually

Categories eligible for reimbursement include registration fees, housing, travel, and local transportation. While the least expensive options should be chosen whenever possible, we commit to ensuring that people's reasonable comfort and basic needs are met. Ecologically friendly options including public transportation and car-pooling are encouraged when possible.

Car travel will be reimbursed up to the IRS religious volunteer rate (the rate for 2020 is 14¢ / mile).