**First Parish in Brookline**  
May 19, 2020  
Budget Building Blocks

<table>
<thead>
<tr>
<th>INCOME</th>
<th>(Total proposed for FY 21)</th>
<th>% of budget</th>
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<tbody>
<tr>
<td><strong>Pledges</strong></td>
<td>$365,000</td>
<td>63%</td>
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<tr>
<td>- Members and friends make pledge commitments each year</td>
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<td>- Pledges to date total $365,000 for next year, compared to $380,000 for FY 20</td>
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<td>- We expect to reach the FY 20 goal and have received 96% of it as of March 31</td>
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<td>- Typically, about 5% more is pledged than is actually collected the following year</td>
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**Fees and Other Income**

- **Building Rentals** $15,000 3%
  - This is income we receive for renting parts of our building to outside groups and, periodically, to individuals and members for weddings, private parties or meetings; major renters:
    - VOICES (after school performing arts)
    - Sai Center (Sunday afternoon services)
    - Lin Center (after-school program)
  - For the past two years we have also rented the upper parking lot to construction firms working nearby who need parking; $11,000 in FY 20
  - FY 21 recommended budget is $31,000 less than rental income through 3/31 due to building closure impacts
- **Grants** $7,133 1%
  - Grants or restricted donations received for specific activities, e.g., UUA grant for part of ministerial intern stipend; Cedar Tree Grant for social justice work
- **Fundraising** $7,500 1%
  - In the past we have used excess proceeds from auctions, feasts, and/or special celebratory events as income for the operating budget.
  - In recent years there has been little or no willingness and/or capacity to do fundraising
  - The Board deferred a fundraising activity for FY20 budgeted to raise $5,000
  - FY21 budget assumes $7,500 raised primarily thru an on-line auction for which leaders have been identified

**Congregational Support** (without pledges)

- **Sunday Offering** $18,000 3%
  - Cash, checks and online giving from Sunday plate collection that is used to support operating budget

<table>
<thead>
<tr>
<th>SPENDING</th>
<th>(Total proposed for FY 21)</th>
<th>% of budget</th>
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</table>
| **Payroll** $385,266 67%
  - The cost of paying staff salaries and wages
  - The cost of fringe benefits for staff, including payroll taxes, health insurance, professional expenses, and contributions to pension programs
  - Custodial service supplemented by cleaning service
  - For FY 21, no salary increases (all staff except senior minister received 1.8% cost of living increase in FY20)
  - Ministerial Intern (1/3 is covered by a UUA grant)

**Current Staff Roles & Responsibilities**

- **Minister** (full time) - Spiritual Leader and Advisor at Large; oversees all Staff
- **Ministerial Intern** (part time) - Contributes to worship, RE and other aspects of congregational life over two years as a "minister-in-training"
- **Parish Administrator** (full time) - Oversees communications, building operations and financial record keeping; supervises office and building staff
- **Bookkeeper**: (hourly) - Maintains books and records; assists Parish Administrator and Treasurer; payment recorded under admin and office expenses
- **Temporary Office Help** (hourly) - Occasional office support as needed during peak times
- **Custodial** (part-time) - Cleans and oversees general daily maintenance, meeting setups and supports Sunday hospitality; supplemented by deep cleaning service
- **DRE** (full time) - Oversees the Religious Exploration program, coordinates with all staff on program-related schedules and activities
- **Nursery Caregivers** (hourly) - Provides Sunday morning nursery coverage and for extended Sunday meetings and special events if requested in advance.
- **Music Director** (half time) - Oversees choir and rehearsals, directs section leaders, assists worship planning and oversees technology; when worship is virtual, coordinates all music and technology support and performs
- **Section Leaders** (stipend) – When worship is in sanctuary, lead the 4 choir sections (soprano, alto, tenor and bass), anchor chamber choir, assist/lead at choir rehearsals and services; in absence of choir, provide all music other than hymns for Sunday service
- **Live Stream Technician** (hourly) – When worship is in sanctuary, produces our streamed worship services (replaces the current AV Technician)
Also includes one-time donations from visitors or ongoing or one-time donations from parishioners who do not make annual pledge commitments.

**Sunday Offering for Partners** $10,000 2%

- Special Sunday collections designated for the Ministers' Discretionary Fund and social justice organizations such as Centro Presente, UU the Vote, Brookline Food Pantry; $7,619 collected & distributed thru 3/31

**Activity Fees** $2,500 <1%
- We collect modest fees for two of our RE programs: OWL and Challenge
- We collect fees for some other activities and include net proceeds after expenses in the budget.

**Endowment Draw** $150,000 26%
- Our endowment is invested in the UUA Common Endowment Fund and is professionally managed according to responsible investing principles, furthering our social justice mission.
- The draw is split between ongoing operations ($116,000 recommended for FY21) and the Building & Grounds Reserve, a set aside for capital expenses ($34,000 recommended for FY21).
- As of 4/30, the B&G Reserve held $80,000; capital projects now stalled by COVID-19 “stay at home”.
- As of 3/31 our endowment was valued at about $2,076,000 compared to $2,333,000 a year earlier (Endowment value peaked 12/31/19 at $2,457,000).
- Financial experts generally conclude that a “sustainable draw” that will preserve the capital over time is 4.5%.
- FY 20 draw budgeted at $178,722, or 7.7%
- Actual draw for FY 20 will be less than budgeted because some expenses will be offset by a one-time $65,000 Payroll Protection Program loan from the US Small Business Administration.
- FY 21 draw from endowment is budgeted at $150,000, or 6.4%; 2.9% from earnings, 3.5% from principal.

**Program-Related** $51,310 9%
- Denominational
  - Annual contribution to UUA, our national organization, for professional and lay resources.
- Religious Exploration - sheet music, guest musicians, music and AV equipment replacement.
- Religious Exploration - program supplies, teacher training and curriculum.

**Sunday Offering to Partners**
- Cedar Tree Grant is directed toward social justice work at discretion of Senior Minister in consultation with committees, i.e., shared leadership.

**Committee Funding**
- Includes in one line all membership fees for organizations such as UU Service Committee, UU Urban Ministry, Interfaith Power & Light.
- Does not include funding for all groups and initiatives of or within First Parish.
- Reorganized and reduced for FY21.

**Functional** $138,378 24%

**Administration and Office** - costs to supply the office, staff and the congregation at large: ZOOM subscription, paper, telephone, outside printing, hospitality, tech and software upkeep, postage.

**Insurance** - reduced cost by 50% during FY20 by obtaining competitive bids and replacing carrier with no change in coverage.

**Building Operations** - building maintenance: fuel oil, utilities, snow removal, general maintenance, repairs; reduced for FY21 due to building closure.

**Buildings and Grounds Reserve**
- Planned capital replacement and maintenance projects overseen by the B&G Committee.
- Current balance in the reserve is $80,000.
- A 5-year capital plan is being developed.
- FY 21 would reduce transfer from the usual $40,000 annual transfer to $34,000, 6% of budget.

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**Budget Building Guiding Principles**

1. Support all elements of our mission through our spending, fundraising and saving practices.
2. Be a UU Fair Compensation congregation for our staff by ensuring compensation is within guidelines.
3. Renew our path to financial sustainability and responsible stewardship.
5. Use “windfall” rental income to offset our building fund reserve draws from endowment.
6. Support completion and implementation of a 20-year plan to update and maintain physical facilities.

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**Table: Spending by Function**

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<thead>
<tr>
<th>Function</th>
<th>FY 20</th>
<th>FY 21</th>
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<tbody>
<tr>
<td>Mission</td>
<td>52%</td>
<td>57%</td>
</tr>
<tr>
<td>Administration</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>23%</td>
<td>19%</td>
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</tbody>
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- **Sunday Services - Music** - sheet music, guest musicians, music and AV equipment replacement.
- **Religious Exploration** - program supplies, teacher training and curriculum.