

FAQs ON THE FISCAL YEAR 2022 BUDGET (JULY 2021 – JUNE 2022)

1. Our Projected Income – At the Top of the Spreadsheet

How did the canvass go this year? Are we going to meet our goal?

- A. We have not yet met the goal of \$410,000, but expect to either come close to it or actually reach it.

Fundraising has been out of the budget for a while. Do we have anything on the table?

- A. Yes, the Board is committed to supporting First Parish in fundraising activities. A fundraiser is being planned for the fall of 2021 and organizers are being recruited.

Why are Program Activity Fees estimated to bring in less than in past years?

- A. The amount of Program Activity Fees collected is hard to estimate, and we are being conservative in our expectations. Some of this comes from OWL, and enrollment varies from year to year.

The estimated income from building use and rental income looks ambitious for next year – will we really get that much?

- A. We anticipate the return of our three major renters for at least a substantial portion of the year: Sai Center (Sunday afternoon services), Lin Learning (weekday after school), and VOICES (after school performing arts). Lin Learning Center held its program for most of 20-21 and VOICES resumed renting for a modified version of its program in April. In addition, we have secured a new renter for a summer programming, Empow Studios, a 4-week science/technology summer program for students grades 2-8. A return to something close to pre-pandemic rental income now seems to be a reasonable expectation.

What is the Cedar Tree grant?

- A. This is a sum of money FPB has received from a family foundation for the past several years. In 2020-2021 the foundation broadened its scope to include racial justice, climate justice and immigration justice, and has asked the senior minister to oversee the grant. Rev. Lisa used a shared leadership process to do this, and would continue this approach.

I heard we received PPP Loans in 2020 and 2021. How does that impact the budget?

- A. PPP loan money received in fiscal year 2020 and 2021 were spent in those fiscal years, and cannot be applied to the fiscal year 2022 budget. Those funds have been extremely beneficial, as they covered costs of employee salaries and allowed us to cancel one

planned withdrawal from our endowment during each fiscal year. We will be applying for an additional \$20,000 in PPP money for FY2022. (Note – this is listed at the bottom of the budget rather than under income, as it is not a routine line of income, and is used to cover a budgeted expense (salaries) on a one-time basis.)

2. Our Projected Expenses – Listed Below Income on the Budget Spreadsheet

What about our level of denominational contribution to the UUA? This number has gone down in the last couple of years, and now is increasing for fiscal year 2022.

- A. As a congregation, we get a great deal of support and many services from the UUA. We also support the social change initiatives of the UUA. For the last two years we had to cut back on our denominational contribution, and we would like to increase it this year.

Are the salaries we pay employees commensurate with other churches?

- A. We follow the UUA fair compensation guidelines for the size and location of our church. Last year the staff indicated that they were willing to forgo their cost of living adjustment raises, or COLA. This year the COLA determined by the UUA is 1.5%, and we have included this in our budget.

Why are we paying \$3750 for guest preachers when we did not have a budget item for this for in recent years?

- A. We will not have a ministerial intern next year, and we need guest preachers to fill in on the Sundays when Rev. Lisa is not working. It's also good to hear other voices from the pulpit, and it is essential to pay guest ministers for their service.

What happens to money from grants and committee funds that are not spent in a given fiscal year?

- A. Unspent Cedar Tree funds for social justice carry over to the following year; committee funds go back into the budget, or could be allocated through a process of shared leadership comprised of committee chairs. The Board reconfigured committee funding so it is more transparent, and recommends that Committee Chairs keep track of their spending on a spreadsheet that is accessible to all committees.

3. Our Endowment Draw and Social Justice

What is the FPB endowment, and what does it mean that we have a line item for transfer of funds from the endowment?

- A. Our endowment includes funds raised by past and present members of First Parish to support the continuation of First Parish over the long haul and for support of our

building. Our endowment is invested in a common endowment fund of the UUA (UUACEF). We rely on these funds to support our expenses, and transfer from that account into our bank account about three times each year. Responsible stewardship is usually considered to be a “draw” from the endowment of 3.5% per year, and although we have decreased our draw in recent years, we have still been taking twice that amount.

How does investing our endowment with the UUA Common Endowment Fund contribute to social causes and social justice?

- A. The UUA Common Endowment Fund is managed according to principles of socially responsible investing (SRI), and engages in social action in a variety of ways. This includes the practice of “negative screening”, which is defined as the removal of companies which have had poor ratings on the basis of environmental, social or governance impact. But SRI does not stop there, it involves “positive screening” to invest in businesses and financial companies that are beneficial to communities. The UUACEF also participates with other faith based endowment funds in shareholder activism to promote business policies that favor employee rights and human rights.