

May 19, 2019

2019-2020 Budget Narrative

The 2019-2020 budget seeks to balance requests from program leads and staff with ERUUF's Mission, newly-created Vision and strategic priorities and to fuel the congregation's recent growth. It reflects a commitment to adequate staffing levels and the equitable treatment of all staff with regard to compensation and program assistance and honors commitments to meet Fair Compensation guidelines, increase support for the UUA, and add to our reserves for future campus needs.

Income Overview:

- Current year pledge income is \$820K, discounted 4% for pledge incompleteness. This is up \$10K from last year.
- Other Income is \$137.5K. The 18% increase over last year is driven primarily by the success of fundraising efforts.
- A portion of a special contribution for staffing support and a transfer from unrestricted reserves lend support to strategic priorities in this period of growth (*read more below*).

Expense Overview:

- Adjustments in staff hours, positions and portfolios to meet the needs of a growing congregation. This includes adding a part-time position to support Membership and Adult programs and the continuation of a part-time Planned Giving & Stewardship Coordinator (co-funded by the Foundation).
- Salary adjustments for several staff to ensure fair and equitable compensation, and a 2% Cost of Living adjustment for all staff.
- Substantial program increases for Justice, RE, and the Multicultural Change Team.
- An interim staffing plan to cover music leadership. A Vision & Mission process will take place this fall to discern future needs.
- Continued funding for recurring and long-term maintenance.

Questions or comments? Come to the Finance Forum on May 26 or contact Daniel Trollinger, Director of Administration, at dtrollinger@eruuf.org.

Reserve Analysis

The Board of Trustees has been studying the appropriate level of reserves for our congregation. We have consulted guidelines for non-profits, other UU churches, the UUA and the Finance Committee, and our conclusion is that ERUUF's balance sheet is very strong. ERUUF has:

- A bank balance that is adequate to meet 2-3 months of expenses.
- A separate Campus Needs Fund for major projects (e.g. HVAC, roof, etc.).
- Additional reserves from special gifts for strategic, non-recurring needs.
- A budget contingency fund known as the "General Reserve." The balance in this fund far exceeds the level recommended by the UUA and is more than twice the size of ERUUF's largest budget deficit over the past 10 years.
- A conservative budgeting process and strong internal controls, as indicated by regularly finishing out the year favorable to the approved budget.

Policies around our reserves are under development and should be finalized this summer. Questions or comments? Email board@eruuf.org.