

Pacific Yearly Meeting Finance Committee Report to Representative Committee 2021

SUMMARY

The Finance Committee presents the following action items:

1. Adopt the proposed budget for Annual Session 2021
2. Adopt the allocated cost schedule for Annual Session 2021 of \$30/\$10
3. Augmentation of \$3000 to the Communications Committee budget for additional Salesforce database support by Espenshade Consulting

Overview of the Finance Committee's work:

The Finance Committee prepares two budgets for Pacific Yearly Meeting. The Annual Session Budget is prepared in advance of Representative Committee for its approval, and the General Fund Budget for Pacific Yearly Meeting is prepared in advance of Annual Session for its approval. It is up to the Yearly Meeting or its Representative Committee to discern what the expenditures within those budgets should be. Finance Committee manages our funds and arranges to meet our obligations. The committee sometimes offers advice on how to handle some situations where financial experience seems needed.

Annual Session 2021 Budget and the Pay-As-Led Experiment

The budget proposal attached to this report reflects the actual amounts we spent for last year's annual session. Due to the impacts of the pandemic our annual session was virtual and our expenses were very low. At RepCom 2020 we agreed to the adoption of a Pay-As-Led approach for Annual Session 2020. This functioned very well and resulted in a budget surplus. Thus, the Finance Committee feels it is safe to continue this approach and recommends that the voluntary payment amounts for AS 2021 be \$30 for adults and \$10 for under 18. We want to remind everyone that under a pay-as-led system, each person or family is genuinely free to pay what they can afford. We want to encourage participation and attendance and we hope that this approach helps facilitate that. We also recognize that the real test will come when our Annual Session returns to our "normal" in-person setting with the associated higher costs. We look forward to reporting back on the results of Pay-As-Led after a normal Annual Session, perhaps in 2022.

Augmentation Request to 2020-21 General Operations Budget from Communications Committee

The Communications Committee continues to work with Espenshade Consulting to implement the Salesforce database for the benefit of the entire PacYM community. They need some additional hours for this fiscal year and are requesting an augmentation to their budget of \$3000 for this purpose.

Investments with Friends Fiduciary

PacYM holds three investment accounts with Friends Fiduciary: invested general reserves, invested session reserves, and the Bob Vogel Endowment. All three accounts had been invested in the Quaker Green Fund in order to avoid any investments in the fossil fuel industry. Fortunately, Friends Fiduciary has eliminated all investments in fossil fuels across all their funds. They closed the Quaker Green Fund and converted our investments to the Quaker Growth and Income Fund, which will result in lower fees and a higher annual payout rate for PacYM.

Review of Financial Processes

The Committee agreed to engage Emma Castanedo, CPA to provide consultative services for the purpose of reviewing our financial procedures and processes. She will work with the current Treasurer, Roy Allen, and report back to the Finance Committee with any recommendations or other conclusions.

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501 (c) 3 Group Determination Letter Status

Since June of 2020, the IRS has not accepted applications from 501(c)(3) organizations for Group Exemptions (which extend a parent organization's tax-exempt status to its subordinate organizations), pending an update to the procedures for such applications. Our Treasurer is monitoring the situation and will submit that letter when it becomes possible to do so. If any constituent monthly meetings of PacYM want to be included, they must inform the Treasurer in writing. If your meeting has already done this, Roy has a record of that and your meeting will be included when the application is submitted.

Cost Estimate for Paid Administrative Support Position

As PacYM considers the idea of hiring a paid administrative support person, the Finance Committee was asked to estimate the cost of such a position. Using some preliminary assumptions, we estimated the annual cost for a half-time position at about \$30,000. With approximately 1,250 members in PacYM, this cost could be covered by an additional \$24 per member contribution.

The Finance Committee consists of Robert Levering (Santa Cruz), Sherri Sisson (Orange County), Doug Smith (Reno), Sarah Bottom (La Jolla), Roy Allen (Berkeley, Treasurer, ex officio), DJ Bloom (Appleseed) (Statistical Clerk, ex officio), and Martha Hunkins (Humboldt, Clerk)