

# Pacific Yearly Meeting Finance Committee Report to Annual Session 2021

## **SUMMARY**

Your Finance Committee monitors and evaluates the revenues and expenditures involved in the operating our Yearly Meeting. We remain in solid financial condition.

The only action items to be considered at Annual Session this year are the adoption of PacYM's General Operations Budget for FY 2021-22 and the associated suggested per-member contributions.

### **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 Operations 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.

### **General Operations Budget for Fiscal Year 2021-22 and Suggested Per-Member Contributions**

This budget was prepared knowing that we will be acting with uncertainty as to when and to what degree in-person meetings within and outside the Yearly Meeting will resume in the course of the fiscal year. This leaves corresponding uncertainty as to how much we will need to spend. The draft budget is meant to incorporate the *possibility* that such activities, and the associated expenses, could fully resume at any time. For that reason, most budgeted expenditures are based on full operation as in prior years.

Further, due to the COVID-19 crisis and reduced operational costs, we will have a surplus for the 2020-21 fiscal year. The draft budget proposes that the suggested per-member contributions for the coming fiscal year remain the same as in 2020-21. This results in a shortfall in revenue for 2021-22 which would be offset by the surplus for the current year.

For the Youth Programs section of the budget, the amounts are those requested by the Youth Programs Coordinating Committee.

Line item 5264 - Support for FGC reflects a contribution of \$1.50 per PacYM member.

As part of this budget proposal, we suggest the following requested per-member contributions for FY 2021-22 (these are unchanged from last year):

US Mainland Meetings	\$98 per member
Hawaii Meetings	\$40 per member
Mexico City Meeting	\$24 per member

### **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 worked with the current treasurer, Roy Allen, and her recent report will be reviewed at a future Finance Committee meeting.

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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, our Treasurer has a record of that and your meeting will be included when the application is submitted.

**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. A page has been added to the Treasurer's report that summarizes our investments with Friends Fiduciary.

**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. We discussed the possibility of funding a two-year trial position using unspent reserves and determined this would be fiscally feasible if the yearly meeting decides to pursue such an option.

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), Martha Hunkins (Humboldt) (Clerk).