

Minute on Financial Feasibility of Proposed Revisions to BYM Budget for the Camping Program and Use of Reserves to Fund "One Time" Expenses

At annual session in 2021, Friends approved a budget for the Yearly Meetings for 2022.

Now Friends are being asked to amend the budget to reflect proposals for the camping program, and to approve some additional one-time expenses in 2021 and 2022 to be funded out of reserves. Details will be presented for each proposal; this document reflects on the combined effects of the recommendations.

The Camp Program Committee recommends increasing the number of camp staff and the pay rate of some camp staff, and to fund that by an increase in camp fees. The fee increase is calculated to also cover the costs of year-round camp employees who had previously been covered under the Administration budget. The proposal includes a program for camp scholarships to assure continued access to camp for disadvantaged families. The proposed changes leave BYM with a balanced budget.

The Stewardship and Finance Committee has reviewed the proposed changes and agree that the projections are conservative and the plan fiscally prudent.

The Yearly Meeting's financial situation was found to be precarious in 2019 due to a mismatch between authorized expenditures and reliable income; this became a crisis in 2020 with the loss of camp revenue due to the COVID induced camp closure. Because the discipline and hard work of our staff and the generosity of Friends have improved the Yearly Meeting's financial situation, we are now in a position to consider some one-time expenditures.

For some years the trustees have recommended that the Yearly Meeting maintain financial reserves of 25% of our annual budget. This reserve amount (which is calculated at the end of the year) is intended to serve as a buffer against changes in cash flow, and to provide resilience in the event of a financial downturn. We were first able to achieve this level of reserves in 2020, and the projection now is that we will exceed the 25% level of reserves in 2021. Working with the various committees, the General Secretary has recommended the expenditures presented to Interim meeting. Although the precise level of reserves cannot be calculated until the end of the years, the Trustees have confirmed that the amount under consideration can be funded from reserves without undue financial risk.

Three of the proposals (to fund the 350th anniversary observance; to conduct a racial equity audit; and to restore staff salaries foregone during the pandemic furlough) are true one-time expenses.

Two of the proposals, (an increase in administrative support, and to restore STRIDE funding that was reallocated in 2020) partially restore some of the cuts necessary to meet the budget amendments of 2020. Whether these expenditures should also be incorporated on an ongoing basis into the 2023 budget will require further discernment, but both have significant benefits even if only a one-time expense funded from reserves in 2023.

The discernment of the Stewardship and Finance Committee is that our financial status is such that all of these proposals are financially feasible.

Approved

Stewardship and Finance Committee, Baltimore Yearly Meeting

6th day, 12th Month, 2021

Terence McCormally Co Clerk

Linda Pardoe Co Clerk