

UUSJ
UPDATE ON UUSJ BUDGET FORMAT: PROGRAM BUDGET VS LINE ITEM
January 17, 2020

Background: At the June 2019 UUSJ Board meeting, a comment from one of the congregations was shared – “how much will it cost UUSJ to go national” – and the board member sharing this proposed that our budget format should be broken down henceforth in a way to show this. The discussion that followed led in a broader direction – establishing a program budget in addition to or instead of the line-item budget which UUSJ has been using. Several board members volunteered to work with the outgoing Treasurer on options to present a program budget.

Status: In September 2019, departing Treasurer Mike McCord suggested several options for formats:

1. advocacy, get-out-the-vote, fundraising and everything else;
2. dividing all expenses into either national programs or running UUSJ;
3. breaking down the four DMV-specific issues within “going national” and then separately show costs of running the organization.

Charlotte Jones Carroll, who had worked on budgets in both career job and other non-profits felt that “going national” is not really a program of itself. It is a good question and we should try to estimate any additional costs of going national as a one-off exercise, but not base our annual budget on that. Instead, she suggested following the classic non-profit breakdown of : (i) Program (A, B, C), (ii) Fundraising and (iii) Admin expenses for budget presentation that makes clear what the costs of achieving our mission are, while continuing for bookkeeping purposes to have line-item expenses (salaries, facility costs, IT/communications costs, bookkeeping, etc.) recorded and monitored. Mike agreed. No further action has been taken to date because a program budget is really one outcome of our strategic planning.

Issues:

- Most of UUSJ’s work is volunteer-driven and implemented, but actual (in-kind) costs in terms of volunteer time is notoriously difficult to capture
- Grantors/donors typically want to know that at least 80% of a non-profit’s budget is going to program expenses and only 20% or less to fundraising and administration (a CFC requirement). If we show the typical breakdown of program-fundraising-administration based solely on UUSJ cash expenses, we will appear to be spending more on fundraising/administration than the ideal ratio would warrant and that would not be a truthful picture of UUSJ outputs, in any case. There are technical solutions to this.
- Our programs go beyond advocacy (visits to the hill and letter-writing). We participate in witness events, rallies, demonstrations, vigils. We do training and education on the priority issues and on how to do advocacy. In fact, by preparing the WHWN letter instructions and background for those in Advocacy Corps, we are also doing education of UU congregations.
- We need to keep volunteer treasurer and paid bookkeeper tasks non-onerous.

Recommendation: Begin to prepare (either now, or with a new treasurer, or with strategy in hand) a simple program budget: Program (Advocacy, Education, Other), Fundraising, Administration, in addition to a line-item budget. Have our few staff or contractors keep track of time spent on the different program budget items in a light way (eg. estimating 30%, 30% 40% or whatever). Keep also a line-item budget to track expenses on the various communications costs and payroll, plus any up-front costs of fundraising to be netted out of proceeds. Undertake as a one-off effort an estimation of how much additional expenses UUSJ has to carry out our programs nationally versus DMV-based.