

To: Permanent Board

From: Scot Drysdale, NEYM Finance Committee Clerk

Date: May 5, 2025

RE: FY 26 Budget Commentary

The proposed FY 26 budget is a work in progress. We expect to have a firmer budget before Sessions.

The first thing to note is that without knowing what form Sessions will take in summer of 2026 we cannot come up with good estimates of either its costs or its income. The budget spreadsheet has a rightmost yellow column entitled "FY2026 Rough Draft Sessions." These costs are hypothetical, projecting the continuation of costs and income that we have seen in recent years. However, the model that we have been using in recent years is the least likely outcome of the Sessions Visioning Process that NEYM has undertaken. We don't know at this time what model will replace it.

Fortunately, we do not need to know what model will replace the current Sessions model in order to know its effect on the budget. Sessions fees have been set to cover direct Sessions costs, plus a small part of the staff time that goes into planning and running sessions. Historically (including last year, but not the first in-person session after COVID) the amount of income above the direct sessions costs has been around \$30,000. Therefore the important figure in the yellow column is \$30,500, the amount that appears in the Net Operating Income line for that column. This can be viewed as a guideline. Whatever Sessions model is chosen should generate \$30,500 of income in excess of direct costs to cover a small part of the staff time devoted to Sessions. Finding a sustainable model for Sessions should relieve budget pressure in future years.

A second thing to note is that the bottom line of this budget is a \$7,123 deficit. This is what resulted from our best estimates of income and expenses.

Noah has consulted with Michael Wajda, a professional fundraiser who is a member of NEYM, to estimate the amount of contributions that we can expect to get with the fundraising efforts that staff and some volunteers intend to make. Footnotes 1 and 3 explain the reasoning behind these numbers. The plan is that in future years we will grow our income at a rate faster than our spending increases and thereby get to a surplus budget that will begin to restore our reserves to the level specified in our policy.

A lot of effort went into cutting costs. As noted in Footnote 7, some mutually agreed on reductions in wages or COLAs kept the increase in staff expenses lower than previous years. We are suggesting a cap on travel expenses. The Honoraria for Volunteer Leadership has dropped from \$15,000 to \$9,000, and will go to \$0 in a few years, after the volunteers who were offered this when they accepted their job rotate out of that job. Laying down these honoraria was approved at last sessions, but other methods of encouraging volunteer leadership may require additional spending.) As noted in

Footnote 12, we are asking Friends Camp to pay for their accreditation expense, which saves a few thousand dollars.

We also propose to add an administration fee of 0.6% on the income from the Pooled Funds that goes to NEYM (but not that that goes to monthly meetings or other investors in the funds). This would cover part of the time that Frederick Martin spends allocating this money to various endowed funds and accounting for it, and part of Sara Hubner's time spent supporting the Legacy Gift Committee.

We don't want to have a deficit, even one that is a small fraction of our overall spending (but a larger fraction of our current reserves). We would appreciate guidance on where else we might reduce our spending. Permanent Board provides Finance Committee with guidance on what our spending priorities should be. What might we do without?

We plan to listen to Permanent Board's feedback and adjust this budget before it is presented at Sessions.

New England Yearly Meeting
FY2026 Operating (Non-Camp) Budget - DRAFT 4
draft version of 5/1/2025

Category	Actuals	FY2024	Budgets	FY2024	FY2025	Δ FY25 to FY26	FY2026	Notes	FY2026 Sessions placeholder break-out
	FY2019	Actuals	FY19 Budget	Budget	Budget	Budgets	draft 3 Budget		
Income									See note 2
4010 Individual Contributions Total	210,194	206,708.78	212,000	223,000	228,000	11,000	239,000		27,000
4020 Monthly Meeting Contributions Total	333,257	344,668.47	373,000	342,000	345,000	17,250	362,250	3	9,000
4025 Unallocated Income				0	0	10,873	10,873	13	
4030 Organizations Contributions	1	1,450.00	0	0	0	500	500	14	
4050 Interest and Dividend Income	9,303	7,172.34	4,000	12,000	11,000	(5,288)	5,712	4	
4070 Books & Other Sales Income	20,077	\$ 8,677.41	16,000	10,500	10,500	(1,700)	8,800	5	8,500.00
4080 Retreat Program Fees	44,618	30,422.00	50,000	37,500	37,500	3,850	41,350	6	
4085 Sessions Program Fees	202,936	161,365.50	185,000	249,475	214,895	(13,895)	201,000	2	201,000
4090 Change in Fair Market Value	960	72.07	0	0	0	-	0		
4099 Net Assets Released To/From	660	0.00	8,500	5,000	0	-	0		
Total Income	822,005	\$ 760,536.58	848,500	879,475	846,895	22,590	\$ 869,485		\$ 245,500
Expenses									
Total 5000 Staff	379,198	\$ 481,169.40	363,915	503,842	516,314	1,444	\$ 517,758	7	
Total 5100 General & Administration	89,142	\$ 102,604.06	133,511	87,449	87,449	6,201	\$ 93,650		\$ 11,000
Total 5300 Travel & Conferences	32,007	\$ 31,135.64	36,000	22,300	22,300	700	\$ 23,000	9	\$ 2,000
Total 6000 Programs	243,348	\$ 201,081.80	259,020	256,012	213,850	21,350	\$ 235,200		\$ 195,000
Total 6140 Books & Other Sales Expense	17,447	\$ 6,743.75	14,500	8,000	8,000	(1,000)	\$ 7,000	5	\$ 7,000
Total 6200-6590 Support of Other Organizations	43,471	0	45,975	0	0	-	\$ 0		
Total 6600 Publications	3,522	0	4,000	0		-			
Total Expenses	808,137	822,735	856,921	877,603	847,913	28,695	\$ 876,608		\$ 215,000
Net Operating Income	13,868	(62,198)	-8,421	1,872	-1,018	(6,105)	(7,123)		30,500
Other Income									
9940 Other Income - Transfers from other funds	32,072.22	5,000							
Total Other Income	32,072.22	5,000							
Other Expenses									
9950 Other Expense - Transfer to other funds									
Total Other Expenses									
Net Other Income	32,072.22	5,000							
Net Income	45,940.46	(57,198)							

Notes:

- 4010 Individual Contributions** estimated goal based on development consultant work: 5% growth FY25-FY26.
Growth rate FY22-FY24 has been 9.4% per year. FY15-FY19 was 13.7%; within that, FY16-19 was 17.6%. FY15-FY24 was 5.6%, and FY2008-FY2024 was 6.5%
- Sessions** is largely unknown. We expected Sessions Visioning Day to provide a single option for the May PB meeting, but did not arrive at unity. So shape of the program is still unknown.
A new column to the right of the FY2026 Budget column breaks out "placeholder" Sessions numbers for easier analysis; the main FY2026 column still includes the Sessions numbers.
Fee waivers: Considering new line to represent lost income due to fee waivers for volunteers at Sessions. Not yet in use. Various ways to assign a value: As if they paid the Traditional Fee? The Low-Income Fee?
Discussion: In 2014-2019, the Sessions budget (Sessions fees, book sales, & pay-as-led/Equalization donations, less direct expenses not including staff time) had an average surplus of \$31,700 each year.
The model was that Sessions paid for part of the staff time needed to organize it, while unrestricted contributions covered the rest.
This FY26 Sessions budget model is still entirely hypothetical, but plans for a surplus of Sessions fees in line with pre-pandemic years.
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This FY26 Sessions budget is based on about a 5% increase from FY25 not counting lawsuit contributions.
Assumes meetings either: give a single annual donation at the same level as they did in FY24, maintain their quarterly contributions at their most recent level, or complete the amount they have promised for FY25.
- 4050 Interest income** based on bank account interest Q4 CY24 (\$769 in Santander money market account) + Endowment interest Q4 CY24 (\$621, plus \$38 Q-E interest)
- Bookstore could be removed from Sessions program for 2026, if desired to simplify planning, but was retained here because it adds about \$800 of profit based on 2024
- 4080 Retreat Program Fee** income increased - based on successful surpluses for Living Faith & Discernment Discovery Day.
- Staff salary/wage** increase by cost-of-living-adjustment (COLA) of 3%, roughly average CPI for Boston metro area 2024. Some mutually-agreed on reductions in wages or COLAs kept the increase lower than previous years.
Recent previous COLAs have been: FY25 2.0%, FY24 6.1%, FY23 6.3%, FY22 0.5%, FY21 2.22%.
- 5130 Contracted Services:** FY24 had \$5000 of unplanned one-time expenses in this category. Planned FY26 uses: Archivist \$4500, Communications/social media: \$2500; Sessions (graphic design, some database & website) \$6000, general website & database \$9500.
- 5300 Travel:** Suggest a cap on travel expenses. Note that **2026 is a Triennial** year for FUM, usually meaning higher Representative Travel usage. YM can reduce number of official reps we appoint and fund.
- 6107 Honoraria for Volunteer Leadership** reduced following the minutes on its administration and laying down: continue offering payments until terms of current appointees end at EOY FY26.
- This budget draft reduces **6130 Committee Expenses**
- 6163 Friends Camp:** This line has recently reimbursed Camp's annual accreditation expense.
- Unallocated Income:** Propose an administrative fee of 0.6% on our investments in the Pooled Funds. An admin fee is common for nonprofits with investments.

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	Actuals	FY2023	FY2024	Budgets	FY2023	FY2024	FY2025	Δ FY25 to FY26 Budgets	FY2026 draft 3 Budget	Notes	FY2026 Sessions placeholder break-out
Category	FY2019	Actuals	Actuals	FY19 Budget	Budget	Budget	Budget				
Income											
4010 Individual Contributions											See note 2
General Fund Contributions	188,088	171,080.76	179,020.78	191,000	204,225	198,000	201,000	11,000	212,000	1	
Pay-As-Led /Equalization Contributions	22,106	25,928.00	27,688.00	21,000	26,000	25,000	27,000	-	27,000	2	27,000
4010 Individual Contributions Total	210,194	197,009	206,708.78	212,000	230,225	223,000	228,000	11,000	239,000		27,000
4020 Monthly Meeting Contributions								-			
General Fund Contributions	317,286	340,040	333,973.47	350,000	350,000	333,000	336,000	17,250	353,250		
Equalization Contributions	15,971	8,628	10,695.00	23,000	23,000	9,000	9,000	-	9,000		9,000
4020 Monthly Meeting Contributions Total	333,257	348,668	344,668.47	373,000	373,000	342,000	345,000	17,250	362,250	3	9,000
4025 Unallocated Income		33,451			31,000	0	0	10,873	10,873	13	
4030 Organizations Contributions	1		1,450.00	0	0	0	0	500	500	14	
4050 Interest and Dividend Income	9,303	7,761	7,172.34	4,000	12,000	12,000	11,000	(5,288)	5,712	4	
4070 Books & Other Sales Income	20,077	11,638	8,677.41	16,000	17,000	10,500	10,500	(1,700)	8,800	5	8,500.00
4077 Consulting Fee Contribution		900						-			
4080 Retreat Program Fees	44,618	25,712	30,422.00	50,000	47,000	37,500	37,500	3,850	41,350	6	
4085 Sessions Program Fees	202,936	158,157	161,365.50	185,000	227,400	249,475	214,895	(13,895)	201,000	2	201,000
4090 Change in Fair Market Value	960	3,225	72.07	0	0	0	0	-	0		
4099 Net Assets Released To/From	660	0	0.00	8,500	30,000	5,000	0	-	0		
Total Income	822,005	786,521	\$ 760,536.58	848,500	967,625	879,475	846,895	22,590	\$ 869,485		\$ 245,500
Expenses											
5000 Staff											
5010 Salaries & Wages	284,515	351,739	360,924.10	267,426	378,053	380,988	389,236	(59,001)	330,235	7	
5037 Housing Allowance								60,000	60,000		
5020 Payroll Taxes	21,100	25,951	27,077.77	20,511	27,392	29,146	30,195	(4,472)	25,723		
5030 Benefits								-			
5033 Health Benefits	39,036	48,051	52,982.14	41,785	45,123	49,199	51,796	6,603	58,399		
5035 Retirements	30,106	34,830	36,435.95	26,743	35,806	38,099	38,924	500	39,424		
5040 Disability	1,402	1,116	983.41	1,800	1,100	1,100	1,013	44	1,057		
5045 Workers' Compensation	812	596	682.00	700	760	760	600	20	620		
5050 Spiritual Retreats			727.00	1,200	1,200	1,200	1,200	-	1,200		
5060 Staff Development	2,228	471	1,257.03	3,750	4,250	3,250	3,250	(2,250)	1,000		
5070 Sabbatical & Paid Leave			100.00			100	100	-	100		
Total 5030 Benefits	73,584	85,064	\$ 93,167.53	75,978	88,239	93,708	96,883	4,917	\$ 101,800		
Total 5000 Staff	379,198	462,754	\$ 481,169.40	363,915	493,684	503,842	516,314	1,444	\$ 517,758	7	
5100 General & Administration								-			
5110 Administration								-			
5120 Bank Expense	7,280	8,396	8,530.37	6,000	7,000	7,000	7,000	(250)	6,750		3,000
5130 Contracted											

6105 Honoraria - Speakers/Wkshp Ldrs	15,814	15,672	16,796.92	16,500	22,000	24,000	21,000	(500)	20,500		15,000
6107 Honoraria - Volunteer Leadership		11,250	11,250.00		15,000	15,000	15,000	(6,000)	9,000	10	
6115 Equipment Rental	5,412	6,637	7,708.79	6,000	6,000	6,500	6,500	(2,500)	4,000		4,000
6121 Supplies and Other Expenses	5,078	4,967	8,068.30	9,300	7,300	9,000	5,000	400	5,400		3,000
6165 Pre-Sessions Expense	1,406	1,525	1,409.44	1,000	1,000	1,500	1,500	-	1,500		1,500
Total 6125 Program Expenses	27,710	40,051	\$ 45,233.45	32,800	51,300	56,000	49,000	(8,600)	\$ 40,400		\$ 23,500
6130 Committee Expenses - General	5,838	1,632	2,100.00	11,700	6,350	6,350	4,400	(2,650)	1,750		
6134 Childcare	788	297		2,000	2,000	2,000	2,000	(1,600)	400		
6137 Committee Day Expenses				500	0	0	0	-	0		
Total 6130 Committee Expenses - General	6,626	1,929	2,100.00	14,200	8,350	8,350	6,400	(4,250)	\$ 2,150	11	
6160 Program Support								-			
6163 Friends Camp	2,309	2,880	3,240.00	2,220	2,220	2,220	2,880	(2,880)	0	12	
6167 Religious Education & Outreach	300			1,800	0	0	0	-	0		
Total 6160 Program Support	2,609	2,880	\$ 3,240.00	4,020	2,220	2,220	2,880	(2,880)	\$ 0		
Total 6000 Programs	243,348	193,220	\$ 201,081.80	259,020	284,300	256,012	213,850	21,350	\$ 235,200		\$ 195,000
6140 Books & Other Sales Expense				0	0	0		-			
6142 Books	10,068	2,697	3,568.64	14,500	14,500	8,000	8,000	(4,400)	3,600		3,600
6145 Other Items for Sale	1,650	1,126		0	0	0	0	-	0		0
6147 Consignment Sales	5,730	6,220	3,175.11	0	0	0	0	3,400	3,400		3,400
Total 6140 Books & Other Sales Expense	17,447	10,043	\$ 6,743.75	14,500	14,500	8,000	8,000	(1,000)	\$ 7,000	5	\$ 7,000
6200 Support of Other Organizations								-			
6310 FGC	13,075	13,075	0	13,075	13,075	0	0	-	0		
6320 FUM	11,357	10,925	0	13,075	13,075	0	0	-	0		
6325 FWCC	13,075	13,075	0	13,075	13,075	0	0	-	0		
Total 6310-6325 "Umbrella orgs" FGC+FUM+FWCC				39,225	39,225	0		-			
6328 Ramallah Friends School	100	100		100	100	0	0	-	0		
6335 AFSC	300	300		300	300	0	0	-	0		
6340 FCNL	750	750		750	750	0	0	-	0		
6345 QEW	300	300		300	300	0	0	-	0		
6350 Friends Peace Teams	100	100		100	100	0	0	-	0		
6355 FWCC 3rd World Travel	500	500		500	500	0	0	-	0		
6360 QUNO	200	200		200	200	0	0	-	0		
6362 Quaker Voluntary Service	100	100		100	100	0	0	-	0		
Total 6330 Friends' Organizations	2,350	2,350	0	2,350	2,350	0	0	-	\$ 0		
6575 Other Organizations											
6590 Ecumenical Organizations											
6592 State Councils of Churches	3,214	2,982		4,000	4,000	0	0	-	0		
6594 Natl Council of Churches	150	150		150	150	0	0	-	0		
6596 NE Ecumenical Network	150	150		150	150	0	0	-	0		
6598 World Council of Churches	100	100		100	100	0	0	-	0		
Total 6590 Ecumenical Organizations	3,614	3,382	0	4,400	4,400	0	0	-	\$ 0		
Total 6200-6590 Support of Other Organizations	43,471	42,807	0	45,975	45,975	0	0	-	\$ 0		
6600 Publications											
6610 Yearly Meeting Minute Book				1,000	0	0		-	0		
6620 New England Friend (Sessions Issue)	3,522			3,000	0	0		-	0		
Total 6600 Publications	3,522		0	4,000	0	0		-			
Total Expenses	808,137	849,549	822,735	856,921	967,374	877,603	847,913	28,695	\$ 876,608		\$ 215,000
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Fee waiver line: New line meant to represent lost income due to fee waivers for volunteers at Sessions. Not yet in use. Various ways to assign a value: As if they paid the Traditional Fee? The Low-Income Fee?
Total direct Sessions expenses divided by all attenders? Or, total direct Sessions expenses plus staff cost of arranging Sessions, divided by all attenders? In 2024, there were 62 Sessions attenders in volunteer roles who received fee waivers. The total direct Sessions expenses divided by all attenders would be \$10 lower than the Low-Income Fee for Adult Full-Time in Dorm.
Discussion: In 2014-2019, the Sessions budget (Sessions fees, book sales, & pay-as-led/Equalization donations, less direct expenses not including staff time) had an average surplus of \$31,700 each year.
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