MANNA Food Bank

2015-2016 Budget Draft Notes

Budget Assumptions: MANNA will be embarking on the first year of the new strategic plan while at the same time wrapping up the Capital Campaign and Phase II improvements. As a result, management thought it was prudent to not embark on new programming for the next fiscal year. The resulting Budget reflects some modest increases in distribution outputs and the integration of some new technologies but for the most part is relatively flat.

Revenues:

- Contributions & Grants – we are projecting an increase of 11% in individual contributions over the current fiscal year budget which would be an increase of 9% over the projected actual receipts for the current fiscal year. In addition, we are budgeting for a decrease of 12% in direct mail receipts as compared to the current year budget but an increase of 3% over the projected actual receipts. Lastly, we are projecting a decrease of 20% in other contributions which would be a slight increase of 1% of the projected actual receipts. We are also making a significant change in how we report revenues from special events; in the past these dollars were reported as individual or corporate contributions; we are now reporting all event sponsorships and other receipts as a separate revenue stream.
- Bequests & Planned Giving—although this is the inaugural year for the new planned giving position, we are budgeting a modest amount of revenue based on the fact that in prior years we have received unsolicited gifts. We recognize this is a stretch goal.
- Gov't Grants – we are projecting the same levels of funding as the current fiscal year with a small increase for FNS based on the current contract amount.
- Special Event Income – In prior years, this income was folded into the overall Contributions & Grants; however, we are now reflecting specific projections for our 2 major events as well as overall corporate sponsorships; we are feeling very optimistic about the potential for growth in this area
- Earned Income—We have seen a decline in the Coop Purchasing Program over the current fiscal year; as a result we are budgeting a slight decrease in revenues for this program which is offset by a corresponding decrease in food purchase expense.
- Total Projected Revenues—Total projected revenues for the next fiscal year are showing a modest increase of 4% over the current budget. We believe this increase is a challenge for us but is doable. We will need to closely monitor any potential impacts on revenues as a result of the public phase of the Capital Campaign

Expenses:

- Wages & Benefits –We are including an overall increase in wages by 4%; these funds would be pooled and allocated by SR management based on multiple factors including employee

performance. We have included the position of Director of Planned Giving, which was approved in the prior year, in this budget and are seeking to cover ¾ of the cost of this position through the operating budget with ¼ being charged to the Capital Campaign. In addition, we are proposing that 3 existing positions be changed from part-time to fulltime. These positions are: product sourcing coordinator from .5FTE to 1FTE which would include full benefits; facilities/janitorial assistant from .5FTE to 1FTE—this change in hours would also include a change in duties to include 40% of time as backup driver and would also include full benefits; Western Outreach Coordinator from .75FTE to 1FTE—this would have minimal impact on benefits. (The rationale for the changes in these positions will be presented separately.) We are projecting a 3% decrease in benefit expenses due to the changes we made in our health insurance plan.

- Professional Fees—We are projecting an overall decrease of 14% in professional services as compared to the current year budget; however, this is only a 2% decrease as compared to projected expenses for the current fiscal year. We have budgeted a 7% decrease in our direct mail expenses as we anticipate changing direct mail vendors.
- Other Staff expenses—In the current proposed budget we have differentiated between staff development expense and travel expense related to out of town travel for conferences or training—in the past these amounts were combined and all classed as staff development. As a result, we are decreasing our overall budget for this line by 41%.
- Travel, Meals, other--We are changing the way we record expenses related to travel for conferences and other out of town events; as a result our travel budget shows an increase of 60% over the current year's budget—these expenses were previously included in the staff development budgets (included in "other staff expenses")
- Supplies—Expenses have been more accurately broken out in the current proposed budget as compared to the prior year; many of the items listed were previously classed as office equipment or as miscellaneous expenses—thus it is difficult to say for certain what the actual increase or decrease might be
- Office Equipment—As noted above, some of the office equipment items have now been reclassed to IT supplies; while the total supplies budget increased by 5%, the office equipment budget has decreased by 24% due to decreases in the budget for agency services and FNS outreach
- Postage & Printing—The proposed budget is 6% less than the current budget
- Advertising—This is a new line item in the budget specifically for the FNS outreach program; these funds would be to help us promote the work MANNA is doing to assist clients in the prescreening for benefits and to help increase the number of clients we are able to serve. We will seek grant funds to cover these expenses.
- Communications—We anticipate some increased expense for services as we make changes to our service providers and upgrade our internet connectivity
- Food Purchases—We are decreasing our Coop Food purchases based on the decline that we have seen over the past several months; we are increasing the Manna Packs purchases to keep pace with the increase in numbers of students qualifying for assistance
- Transportation—We have a slight increase of 5% in the budget

- Occupancy—We are anticipating higher electric bills once the new freezer & cooler come online; this additional expense is offset by the reduction in lease payments for offsite storage; the total increase is 5%
- Program Expenses—Projected expenses for the reclamation programming are up slightly and we have added a new line item for agency incentives.
- Special Events—expenses for special events are now incorporated into regular operating line items rather than in a single line item
- Fees & Dues—no significant changes
- Misc Exp—we have moved expenses out of miscellaneous and have reflected the budgets in more appropriate lines so that we can more accurately report on our activity
- Depreciation—In prior years we did not budget for depreciation so this is new to the budget this year.

Net Budget: We currently show a projected net deficit of <$121,300> after backing out the depreciation; however, this is before we calculate any grant funds that will be rolled forward from the current fiscal year to the next fiscal year; we believe it is safe to estimate between $50,000 and $100,000 in funds to be rolled forward based on funds pledged or received in the last quarter of the fiscal year. In addition, we are including a modest 3.5% net gain on investments held at CFWNC.