MANNA Food Bank

2016-2017 Budget Draft Notes

Budget Assumptions: As noted in the preamble to the "Framing the Future", there are a couple of significant items that are influencing out budgeting process for the next fiscal year: (a) we have just completed a very successful multi-year capital campaign and are very aware that there may be some "donor fatigue"; thus our revenue projections are on the conservative side; (b) there is also some employee fatigue related to the back-to-back years of construction and its impact on operations; (c) with the change in leadership for MANNA we are also aware that there will need to be some time for everyone (both internally and externally) to adjust.

Revenues:

- Contributions & Grants – overall the budget for contributions is relatively flat as compared to the current year's budget. Based on the current YTD actuals, it looks like we will be about 4% under budget. Given our concerns regarding donor fatigue we believe our budget projections for next year are both a stretch but are achievable
- Bequests & Planned Giving—this will be our first full year to begin executing our planned giving strategy
- Gov't Grants – we are budgeting for the same annual grants (TEFAP, SNAP, and State appropriated funds) but are also adding in some of the new opportunities from local government sources that we have identified
- Special Event Income – We are budgeting for a slight increase (5%) as we continue to refine our sponsorship opportunities and have added the gift wrapping event
- Earned Income—We are budgeting an increase of about 5% but that is contingent on us continuing to be able to access the volume of meat and other highly desirable items as we have done in the current year.
- 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.

Expenses:

- Wages & Benefits –We are including an overall increase in wages by 3%; these funds would be pooled and allocated by SR management based on multiple factors including employee performance. We are also including a new position of Program Director who would be charged with helping us implement plans to move forward the goal of collective impact—we have budgeted this position for 6 months rather than a full 12 month period. We are also budgeting for 1 additional AmeriCorp placement within the development department. The overall increase in wages, taxes, and benefits is less than .5%.

- Other significant items:
    - Supplies increase includes the annual subscriptions for the accounting software and the new donor management software as well as an increase in program supplies for distribution (such as stretch wrap)
    - Direct Mail expenses are budgeted for an overall decrease of 22%--expenses are in professional services and postage lines
    - Equipment expenses includes the annual lease for the new phone system
    - Advertising expenses are primarily for the FNS outreach and are covered by restricted grants
    - Occupancy expenses represent a 12% increase, primarily related to the new freezer/cooler
    - Overall vehicle operating expenses are budgeted for less than the current year but are based on actual expenses
    - Contract Freight is 65% more than the current year budget—our strategy is to continue to bring in more produce so we are moving some of our food purchase budget for the State funds to freight—the actual cost of the produce is less but the cost of getting the product here is more
    - Program expenses include the reclaim scanning program, volunteer program and special events. We have budgeted slightly higher for special events to now include the holiday gift wrapping event.
- Overall Operating Expenses are up slightly over the current year's budget by 2.2%

Net Budget: We are estimating $50,000 in grant funds to be rolled forward and $30,000 as spendable income from our investments. This gives us a total adjusted revenue of $5,194,111 against $5,182,522 in expenses for a net gain of $11,589. Depreciation is estimated to be $262,455 for the next budget which would then give is a total net loss of <$250,866> on a GAAP basis.