

Budget Amendments Recommended by the Budget & Finance Committee

PROPOSED:

1. Approve the following budget amendments for the 2019-20 fiscal year:

- Decrease the Salaries & Housing budget by \$8,733**
- Decrease the Staff Benefits budget by \$18,000**
- Decrease the Staff/Deans/Officers Travel & Expense budget by \$20,000**
- Increase the Accounting Fees budget by \$5,733**
- Increase the Overtime Salaries & FICA budget by \$2,000**
- Increase the Bishop Transition Reserve budget by \$39,000**

2. Approve the following budget amendments for the 2020-21 fiscal year:

- Add a new Funding Source entitled, "Transfers from Bishop Transition Fund" and set its budget at \$47,300**

- Decrease the New Initiatives budget by \$30,000**
- Increase the Salaries & Housing budget by \$33,450**
- Increase the Accounting Fees budget by \$13,000**
- Increase the Staff Benefits budget by \$30,850**

BACKGROUND INFORMATION & RATIONALE: During its conference call meeting on September 10, 2019, the Budget and Finance Committee reviewed the status of the Operating Fund, including staff salary and benefits projections for the remainder of the current fiscal year, as well as during the next fiscal year. It was noted that while some of the salary and benefits budgets will not be fully utilized in 2019-20, there would be substantial shortfalls in those budgets during 2020-21. Page 2 of Exhibit D.5 presents the summary of projections that the Budget & Finance Committee reviewed in making the recommendations shown above.

In addition to addressing the budgetary issues regarding salaries and benefits, the proposed actions also: (1) Move much of the money used to compensate the synod's fiscal advisor out of salaries and benefits and into the category of Accounting Fees, in recognition of the advisor's changed status as of October 1; (2) Recognize the likelihood that the Staff/Deans/Officers Travel & Expense budget is more than will be required this year; and (3) Increase the Staff Overtime budget for the current year, in recognition of the extra staff time that has been required this Fall during the overall staffing transition.

Projected Total Cost for Salaries & Benefits, Including New Staff		
Salaries & Housing	FY 2019-20	FY 2020-21 with 3% increase
Original Salaries Budget	467,580	472,260
New Initiatives Budget	-	30,000
Projected Actual Salaries	(458,846)	(505,709)
Balance	8,734	(3,449)
Proposed Amendments:		
To Accounting Fees	(5,333)	(12,000)
To Overtime Salaries & FICA	(400)	-
To Designated Account Bishop Transition Fund	(3,000)	-
From Bishop Transition Fund	-	15,449
Balance	1	(0)
Staff Benefits	FY 2019-20	FY 2020-21
Original Benefits Budget	181,900	183,720
Projected Actual Benefits (based on bishop continuing to waive health benefits)	(163,042)	(214,233) *
Balance	18,858	(30,513)
Proposed Amendments:		
To Accounting Fees	(400)	(1,000)
To Overtime Salaries & FICA	(1,600)	-
To Designated Account Bishop Transition Fund	(16,000)	-
From Bishop Transition Fund:		
Balance of Initial \$20,800	-	5,351
2019-20 Addition from Salaries	-	3,000
2019-20 Addition from Benefits	-	16,000
2019-20 Addition from Staff Travel	-	7,500
Balance	858	338 *
* If the bishop is not able to continue waiving health benefits in 2020-21, the projected cost of total benefits will increase by approximately \$17,500. To help offset this additional cost, there would still be \$12,500 in the Bishop Transition Fund, but the remaining \$4,662 will have to be paid from other, to-be-determined sources.		