



FY 2025 PROPOSED BUDGET

Oct. 1, 2024, through Sept. 30, 2025

FY 2025 Budget Notes by Line Item

Administrative Council has released this Proposed Budget to Annual Sessions.

A word about Unrestricted and Restricted as used by nonprofit entities

“Unrestricted” means net assets without donor restrictions, which are available for use in general operations. “Restricted” means net assets with donor restrictions; these are donor or grantor-imposed restrictions that may be temporary in nature or perpetual in nature.

What’s New – Staff Salary Reviews

Approximately every three years PYM reviews staff salaries, primarily at PYM. (Arch Street Meeting House salaries are benchmarked to positions in the museum field and managed separately by the ASMH Executive Director.) The review checks for biases or unexplained differences between similar positions. In addition, PYM salaries are compared to external benchmarks to determine how they stand up to similar organizations. The last review was completed in 2020.

This year, the General Secretary and the Director of HR & Inclusion looked at external benchmarks, selecting ones that most closely matched PYM’s staff positions and that provided a salary range for each position based on actual nonprofit salaries in the Northeast Corridor (NYC, Philadelphia, and DC) for organizations with annual budgets under \$5 million. The salary data was from 2023.

Since the 2020 review, PYM salaries compared to external benchmarks have generally fallen behind nonprofit averages. Based on 2023 data, only four PYM salaries fell within the average salary range; other positions were at the low end. On average, PYM salaries are 85% of the midpoint nonprofit range. A look at internal benchmarks fared better. There were no noticeable patterns of salary bias by age, race, gender, or LGBTQIA+ identity. There were no outliers within the position categories. The highest paid full-time position salary is near three times the lowest paid.

To redress the largest gaps (below 80% of the midpoint), some salaries were adjusted immediately. A few others will be adjusted at the start of the new fiscal year to ensure that salaries of the two lower staff categories (Associate and Coordinator/Manager) are at a minimum of 90% of the midpoint. A 2% cost of living increase is also planned for FY 2025. In the proposed budget, staff salaries and wages are rising 5.8% over last year’s budget, a larger than usual increase, reflecting the adjustments and PYM being fully staffed.

INCOME AND FUNDS AVAILABLE

Line 1, Support from Meetings

The Covenant is our single largest source of unrestricted income and PYM is deeply grateful for meeting support. We hope that some meetings may be able to increase their Covenant amounts.

Line 2, Arch Street donations /Arch Street Meeting House Preservation Trust fundraising

Budgeted for ASMHPT annual appeal. The Capital Campaign has separate financial reporting outside the PYM budget.

Line 3, Grants and Other Gifts

Budgeted for restricted grant funding for Arch Street.

Line 4, Bequests

There are no known bequests in process for distribution in FY 2025.

Line 5, Support from Individuals

The Annual Fund contributes a significant part of PYM's unrestricted budget. PYM appreciates a gift of any size. Thank you! Our whole yearly meeting community grows deeper and stronger in a culture of generosity.

Line 6, Total Contributions Income

Total budgeted contributions of \$1.5 million represent 33% of Total Funds Available in FY 2025, Line 11. Budgeted contributions without donor restrictions of \$1.325 million are 47% of total unrestricted funds available. Contributions with donor restrictions represent 10% of restricted funds available.

Line 7, Funds Held at Friends Fiduciary

Friends Fiduciary pays a 4% distribution based on a three-year average of Quaker Growth & Income Fund unit value. PYM's funds at Friends Fiduciary include an investment in the Impact Accelerator Fund, a bridge loan fund sponsored by the Reinvestment Fund, which pays a preferred dividend. Unrestricted income supports the general fund budget. Restricted income is largely granting income paid out in Line 15, Contributions to Others. It also includes some restricted program funding.

Line 8, Funds Held at Third-Party Banks

Third-party banks hold unrestricted funds for PYM as trusts (PNC) and as private foundations (BNY Mellon). Wells Fargo holds a restricted-purpose fund for PYM as a private foundation. Income is not easily predictable. Some funds base their distributions on market values as of a certain date, such as December 31. Others base distributions on a three-year average. For fiscal years 2024 and 2025, the three-year average includes poor market returns from calendar 2022.

Line 9, Event and Program Fees

Under the Shared Services Agreement that went into effect in FY 2023, most event and program fees moved from the Unrestricted Budget to the Restricted Budget under ASMHPT. These include rental and event income at Arch Street, as well as income from tours and visitors to Arch Street. ASMHPT is picking up an equal amount of costs around utilities, staffing, and maintenance.

Line 10, Administrative Fees

PYM charges its restricted-purpose funds an administrative fee based on principal value at Friends Fiduciary each June 30. The fee is unrestricted income to PYM, per accounting rules. Quaker Growth & Income Fund unit value is currently higher than it was a year ago.

PYM’s restricted-purpose funds are largely granting funds. PYM follows foundation best practices: we view administrative costs as shared in the aggregate. We also use a tiered fee schedule that charges a slightly lower fee to smaller funds. Administrative fees pay for PYM’s grantmaking function and the administrative costs of managing restricted monies.

Line 11, Total Funds Available

Total funds without donor restrictions are budgeted at \$2.84 million, 47% from contributions and 53% from investment income, program, and fees. Total funds with donor restrictions are budgeted at \$1.66 million, 10% from contributions and 90% from investment income, program, and fees. Total funds available of \$4.5 million are estimated 3% above last year’s budget.

EXPENSES

Line 12, Staff Salaries and Wages

Staff salaries and wages of \$1.9 million are rising 5.8% over last year’s budget, a larger than usual increase, reflecting the salary adjustments described on Page 1, full staffing, and a 2% cost of living adjustment (COLA), for all staff in the new fiscal year.

Some restricted funding for staff comes from investment income, notably the Theodore H. Nitsche Fund. Nitsche distributions will cover approximately \$121,000 of restricted salaries and benefits at Arch Street in FY 2025. The Arch Street Meeting House Preservation Trust provides restricted funding and grants to pay for Arch Street program staff.

Line 13, Payroll Taxes, Benefits, and Employee Travel

This line includes payroll taxes, health insurance, workers comp insurance, staff training and travel, and PYM’s employer contribution to staff retirement. Retirement benefits are provided by the Friends 403(b) Plan; employer contributions are 7% of the salary budget for benefits-eligible staff plus a dollar-for-dollar match of employee deferrals up to 3% of salary. Employees who choose to save 3% of salary receive a 10% total employer contribution. Health insurance costs for calendar 2025 will not be known until open enrollment in the fall of 2024, but we expect to provide excellent cost-effective coverage through the Friends Mutual Health Group. Employees who do not receive health care through PYM are provided with a monthly payment toward their health care that is covered on the salary line.

Line 14, Total Staff Expenses

Total staff expenses are budgeted at \$2.4 million or 52% of total budgeted spending.

Line 15, Contributions to Others

Unrestricted contributions are made to other 501(c)(3) organizations under limited circumstances. PYM contributes financially to organizations where it is committed to appointing PYM members to serve on their boards, such as Friends General Conference, Friends World Committee, and Friends Committee on National Legislation. Additionally, each year small contributions are made to a few organizations which are engaged in ministries related to the current concerns of the yearly meeting.

These contributions come from the Chace Fund, a fund restricted in purpose to supporting religious organizations. The Chace Fund is held in trust by Friends Fiduciary Corporation (FFC) and PYM has beneficial interest; PYM annually reports to FFC a list of the organizations to which it has contributed Chace income, in accordance with the Chace will. The General Secretary is responsible for ensuring these funds are distributed.

Louisa & Corson Poley Fund income is granted to Burlington Quarter, per the 2017 Burlington Meeting House Agreement. Outreach grants to monthly meetings come from the Membership Development Fund, an unrestricted reserve fund. PYM does not otherwise contribute general funds to other organizations. Unrestricted funds are given to the yearly meeting for its operation, either by individuals, meetings, or unrestricted endowment. They are therefore not passed through PYM as contributions to others.

Restricted contributions reflect the more than 400 grants PYM makes each year to individuals, meetings, and nonprofit organizations. Restricted grants vary from year to year, often because of timing across fiscal years. Grants may be made from restricted reserves (accumulated, unspent income from prior years) as well as from current year restricted income.

Line 16, Event and Program Expense

The unrestricted budget covers a range of programs: Annual Sessions, Continuing Sessions, youth programs, other smaller programs, volunteer expenses, publications, and a Quaker Life Council “program envelope” to support collaboratives, programs, and events. The PYM budget allocates funds to the Quaker Life Council to be used in any way the council determines for program and initiatives to help the yearly meeting thrive.

Restricted expense includes Friends Counseling Service, spending from grants at Arch Street, and various restricted program funds budgeted for Annual Sessions, youth, and other smaller programs.

Line 17, Professional and Service Fees

Unrestricted spending includes normal and typical fees for the PYM audit, payroll services, banking services, routine consulting, and legal work. Restricted spending is budgeted for ASMHPT.

Line 18, Development Expense

Unrestricted costs are for PYM and include merchant account fees to support online giving. Restricted costs are for ASMHPT.

Line 19, Copying, Printing and Postage

Unrestricted costs are for PYM and restricted costs for ASMHPT.

Line 20, Rent (Friends Center Expenses and Other)

Rent expense includes Friends Center rent and small storage charges. PYM is one of three equity partners in Friends Center with the AFSC and Central Philadelphia Monthly Meeting. Rent is expected to rise 3.3% in 2025.

Line 21, Utilities

PYM’s utility cost is limited to telephone service at 1515 Cherry Street. Other utilities at this site are provided by Friends Center, a LEED Platinum building that uses geothermal heat and 100% wind-

generated electricity. Gas, electric, water and phones at Arch Street are in the restricted budget and paid by ASMHPT under the Shared Services Agreement.

Line 22, Office Supplies and Support

Expenses for office supplies and miscellaneous administrative expenses.

Line 23, Computer Support and Licenses

Expenses for PYM information technology (IT) support provided by the AFSC, annual computer licenses, annual database licenses, and routine software licensing and support.

Line 24, Insurance

Property, liability, cyber, and Directors & Officers insurance.

Line 25, Repairs and Maintenance

The cost of maintenance and repairs of the building, equipment, and grounds at Arch Street Meeting House. The 2025 projection includes repairs that will be funded by the Capital Reserve Fund (see Line 29).

Line 26, Fixed Asset Depreciation

Depreciation is an unrestricted expense, calculated from depreciation schedules for Arch Street Meeting House and depreciable equipment and furnishings at PYM's offices.

Line 27, Total Expenses

Budgeted at \$4.63 million, 2% ahead of the FY 2024 budget of \$4.55 million.

Line 28, Net Income Available Prior to the Application of Reserves

The budgets show a deficit because total expense includes items that will be paid for using cash from reserves. See Lines 29 and 30.

Line 29, Capital Reserve Funds for Repairs at Arch Street

Unrestricted repairs and improvements expensed in Line 25 paid for by Capital Reserve funds.

Line 30, Miscellaneous Spending from Reserves, Grants and Accumulated Granting Income

Use of reserves includes unexpended grant funds from prior years and use of other reserve funds for programs and grants, including Membership Development grants (see Line 15).

Line 31, Net Balance

Budgeted at zero in FY 2025.

Line 32, Number of Full-time Equivalent Employees (FTEs)

PYM should be fully staffed by September 30 with 20 FTEs in the unrestricted budget and 6 FTEs in the restricted budget for a total count of 26.

Questions or comments?

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Administrative Council	FY 2025 Without Donor Restrictions	FY 2025 With Donor Restrictions	FY 2025 TOTAL	FY 2024 Budget
PROPOSED BUDGET 2025				
All Periods are 12 Months	Sept. 30, 2025 Budget	Sept. 30, 2025 Budget	Sept. 30, 2025 Budget Total	Sept. 30, 2024 Budget
INCOME AND FUNDS AVAILABLE				
1 Support from Meetings (Covenant)	975,000	0	975,000	965,000
2 Arch Street Donations/ASMHT Fundraising	0	75,000	75,000	75,000
3 Grants and Other Gifts	0	100,000	100,000	85,000
4 Bequests	0	0	0	0
5 Support from Individuals (Annual Fund)	350,000	0	350,000	350,000
6 Contributions Income	1,325,000	175,000	1,500,000	1,475,000
7 Distributions on Funds Held at Friends Fiduciary	617,000	1,345,000	1,962,000	1,975,500
8 Distributions on Funds Held at Third-Party Banks	400,000	15,000	415,000	383,500
9 Event and Program Fees	75,000	125,000	200,000	132,000
10 Administrative Fee on Restricted Funds	425,000	0	425,000	400,000
11 TOTAL FUNDS AVAILABLE	2,842,000	1,660,000	4,502,000	4,366,000
EXPENSES				
12 Staff Salaries and Wages	1,640,000	274,000	1,914,000	1,808,962
13 Payroll Taxes, Benefits, Employee Travel	432,000	85,000	517,000	502,891
14 Total Staff Expenses	2,072,000	359,000	2,431,000	2,311,853
15 Contributions to Others	60,000	1,030,000	1,090,000	1,204,662
16 Event and Program Expense	60,000	80,000	140,000	136,067
17 Professional and Service Fees	80,000	40,000	120,000	135,000
18 Development Expense	20,000	3,000	23,000	23,000
19 Copying, Printing and Postage	35,000	5,000	40,000	38,200
20 Rent	305,000	0	305,000	295,000
21 Utilities	10,000	50,000	60,000	60,000
22 Office Supplies and Support	10,000	3,000	13,000	9,200
23 Computer Support and Licenses	80,000	2,000	82,000	77,000
24 Insurance	40,000	0	40,000	40,000
25 Repairs and Maintenance	80,000	88,000	168,000	120,800
26 Fixed Asset Depreciation	120,000	0	120,000	100,000
27 TOTAL EXPENSES	2,972,000	1,660,000	4,632,000	4,550,782
NET INCOME AVAILABLE PRIOR TO THE APPLICATION OF				
28 RESERVES	-130,000	0	-130,000	-184,782
29 Repairs at ASMH (Capital Reserve)	80,000	0	80,000	100,000
30 Other Misc Reserves (Grants & Granting Groups)	50,000	0	50,000	84,782
31 NET BALANCE	0	0	0	0
32 No. Full-time Equivalent Employees (FTEs)	21.00	5.00	26.00	26.00