



2020 Operating Budget Notes & Assumptions

2019 YEAR END

Current year-end projection includes net income of \$464,812.

Year-end projections include:

Contribution revenue is over budget, primarily due to receipt of bequests from the estates of Mary Shaw, Paulia Bell, Peter Hatton and Gloria Dake, and the termination of CRTs from Sue Antle and Terry Haber. Also, the 2% fee from the sale of the de Guigne property is included in the year-end forecast, less the amount taken in 2018, for a total of \$371,345. The forecast assumes the annual appeal generates the budgeted amount for individual contributions.

Administrative fee revenue is under budget. Due to drop in the market in the 4th quarter of 2018, the 2019 administrative fees have been lower than budgeted.

Fees from CRTs are under budget due to the drop in the market in the 4th quarter of 2018, and the termination of the Sue Antle CRT.

Interest income is higher than budgeted due to investing excess money market funds in higher yielding CDs.

Personnel costs are lower than budgeted due to positions being vacant for a period of time.

Administrative cost variances are as follows:

- Computer Maintenance – higher due to the move to the cloud and additional services
- Bank Charges – higher due to the increase in credit card contributions
- Postage – higher due to increased number of acknowledgement letters, and mailings for North and South County events
- Contract Services – higher due to 2018 invoices for the MC Gives temp not received until 2019
- Legal Services – lower due to fewer legal expenses than expected
- Misc. Admin Expense – lower due to no WF lunch proceeds transfer, because there was not enough received from ticket sales and sponsorships to pay for the event
- Depreciation Expense – reduced due to the timing of capital purchases

Occupancy, and Development and Staff costs are slightly under budget.

OPERATING CASH RESERVE

The unrestricted cash available as of November 30, 2019, is \$1,604,372, representing a reserve of 5.9 months. The year-end projection for unrestricted cash available is 6.9 months.

2020 BUDGET

2020 includes revenues of \$3,655,490, and expenses of \$3,580,490, for a net surplus of \$75,000, which includes the revenue and expenses for 75th anniversary activities. Excluding the 75th anniversary activities, there is a net surplus of \$82,275.

REVENUE

Contributions

- Bequests Received includes a five-year average for unknown bequests received directly, and payments on bequests receivable
- Contributions – Individuals, Corporate & Foundations are based on a five-year average
- Contributions – Interfund includes the annual payout from the operating endowment, and a five-year average of contributions received from donor advised funds
- COP/Legacy Partnerships – includes amounts committed by local businesses to support the events
- 75th Anniversary Revenue – includes amounts for ticket sales to attend the Celebration of Philanthropy and additional partnerships for the 75th anniversary events

Administrative Fees

- 2020 budget based on November 30th fund balances
- Includes \$64,300 from the Monterey County Gives campaign
- Fees from CRTs include quarterly fees from Kaspick
- Special Program Fees includes amounts paid by third-party funded programs for administrative overhead expenses
- Workshop revenue reduced due to fewer scholarships available

EXPENSES

Salaries and benefits

- Assumes 5% increase over the current salary structure, which includes a 2% discretionary merit pool; the CPI as of October 2019 is 3.0%
- Includes the addition of the Director of Resource Development position, for six months
- Health plan policy Blue Shield Silver Savings 2,000/4,000
- Medical, dental, vision and long-term disability paid 100% for the employee
- \$2,000 HSA contribution for all eligible staff
- Retirement includes a 6% 403(b) contribution for all eligible employees

Administrative expenses

- Database maintenance includes FIMS, our operating database, and Foundant, our online grant processing program
 - 23.88% increase due to the Academic Works scholarship program, previously paid for by College Futures Foundation

- There is no amount included for changing the database; however, that may happen. If a change is made, and the one-time implementation expense is significant, we recommend the expense be covered by the operating reserves.
- Contract Services includes Donor Central, PG Calc and SOM/IT consultant
- Conferences and professional development increased, due to new board members and staff attendance at the Council on Foundations Fundamentals Course
- \$80,130 depreciation expense for \$23,000 new capital purchases, \$62,000 building improvements, plus building depreciation
 - Building improvements are depreciated over 39 years

Occupancy

- Monterey includes a 4% increase in loan payments, and property taxes on the land only
- Salinas rent includes a 3% increase

Development & Staff

- Donor Development includes increased amounts for the Women's Fund luncheon, which is offset by the ticket sales and sponsorships, and a reduced amount for the Legacy Society luncheon
- Annual Events expense increased due to expected increase in attendance
- 75th Anniversary Expenses added to track one-time anniversary activity expenses
- Annual Report expense increased due to increased mailing list

Community Foundation for Monterey County
TOTAL CFMC OPERATING BUDGET
 2020 Budget - FINAL

ACCT	Year 2016 Actual	Year 2017 Actual	Year 2018 Actual	Year 2019 Budget	2019 YTD @ 11/30	2019 Year-End Forecast	Year 2020 Budget	% Change over 2019 Budget	Description
REVENUE									
Operating Contributions									
41180	34,486	0	0	0	53,981	53,981	0	0.00%	
41183	3,125	54,778	6,544	81,750	496,401	496,401	58,600	-28.32%	2% on all bequests, based on 5 year history.
44110	58,489	50,760	69,876	56,500	17,370	66,500	65,000	15.04%	Based on 5 year history
44120	0	1,596	4,162	2,000	4,120	2,500	1,600	-20.00%	
44125	12,500	31,000	27,524	30,000	39,264	39,264	37,500	25.00%	10,000 CF Santa Cruz County, 10,000 Sunlight Foundation, 15,000 Victor Foundation and 2,500 Tides Foundation
44140	80,456	55,876	59,460	79,523	49,874	80,742	63,890	-19.66%	35,560 Operating Endowment annual payout; 4,630 designated fund distribution, 21,200 DA funds to OPER, 2,500 Carmel Realty COP Partnership
Total Oper Contributions	189,057	194,010	167,566	249,773	661,010	739,388	226,590	-9.28%	
Administrative Fees									
44200	2,243,066	2,457,428	2,741,886	2,871,550	2,006,182	2,643,820	3,122,400	8.74%	Based on 11/30 fund balances, plus projections
44260	34,549	51,720	58,212	58,000	50,057	50,057	53,000	-8.62%	Based on 2019 actuals + new trusts
44270	72,181	18,000	29,664	12,086	23,673	26,340	40,000	230.96%	8,000 OPCN6 and 32,000 Census 2020
44280	17,594	24,260	8,424	23,000	27,126	25,574	22,000	-4.35%	4,000 CNE Workshop fees and 18,000 LEAD tuitions
44285	44,768	38,451	46,610	42,625	68,737	68,738	48,500	13.78%	45,000 WF lunch tickets and sponsors, 2,500 MIIS reimbursement, and 1,000 B of A cash rebate
44287	0	0	0	0	0	0	10,000	0.00%	10,000 - COP Partnerships (Tim Allen, Walker & Reed, MPW, Integris)
44288	0	0	0	0	0	0	78,000	0.00%	38,000 ticket sales (500 attendees) plus an additional 40,000 for COP Partnerships
Total Administrative Fees	2,412,158	2,589,859	2,884,796	3,007,261	2,175,776	2,814,529	3,373,900	12.19%	
Interest Income									
45400	11,385	11,412	22,280	15,000	50,980	55,000	55,000	266.67%	Rabobank money market and CDs
Total Interest Income	11,385	11,412	22,280	15,000	50,980	55,000	55,000	266.67%	
Total Revenue	2,612,599	2,795,280	3,074,641	3,272,034	2,887,766	3,608,917	3,655,490	11.72%	
Admin Fees:									
							2,813,764		Based on 11/30 fund balances
							79,594		Based on 5-year average
							45,242		Based on 5-year average
							107,500		Based on a full-year - \$1M @ 1.25%, \$2M @ 1%, \$15M @ .5%
							12,000		Based on their on-going history
							64,300		Based on 2018 actual @ 1.5%
							3,122,400		

Community Foundation for Monterey County
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EXPENSE									
Salaries & Benefits									
51100	1,420,538	1,495,062	1,580,753	1,769,268	1,578,191	1,656,530	1,934,171	9.32%	Includes the addition of a Development Director position for 6-months
51200	107,984	110,051	113,659	129,656	113,027	119,443	147,245	13.57%	
51300	208,225	224,594	240,189	261,541	225,752	243,779	278,582	6.52%	BS Silver Savings 2000/4000 HSA compatible with \$2,000 maximum 2019 HSA contribution, per eligible employee
51400	70,364	73,198	78,399	104,394	93,895	98,587	115,973	11.09%	@ 6% of base salary
51500	10,577	9,905	8,484	14,220	7,120	8,196	16,510	16.10%	
51160	0	28,996	11,000	5,000	4,587	5,000	5,000	0.00%	Increase accrual for added positions and higher salaries
51600	1,429	1,910	2,700	2,000	2,437	2,437	2,000	0.00%	Monterey Bay Jobs and Indeed postings
	1,819,116	1,943,716	2,035,185	2,286,079	2,025,009	2,133,972	2,499,481	9.33%	
Administrative Costs									
52100	20,885	21,163	23,689	22,000	19,624	22,000	22,000	0.00%	General office supplies, stationery, Alhambra water, toner cartridges, special paper, kitchen supplies
52101	28,600	16,812	21,876	22,550	21,119	22,500	23,000	2.00%	Copy machine leases, postage meter lease and ink cartridges, fire extinguishers, phone programming
52120	37,107	38,269	58,804	39,736	37,450	40,686	46,298	16.51%	See below
52125	32,542	22,918	40,200	48,053	44,763	44,763	59,530	23.88%	51,100 FIMS annual support, 8,000 Foundant online grant processing, Academic Works 14,590
52130	5,939	7,238	12,944	16,000	18,370	22,442	16,000	0.00%	Credit card, returned check and stop payment charges
52200	10,874	16,680	14,051	21,445	13,811	21,368	29,320	36.72%	See below
52300	13,384	16,967	18,830	20,500	19,057	22,991	22,750	10.98%	Postage for meter, bulk mail and business reply permits
52400	18,763	21,095	21,499	38,977	30,411	32,045	37,279	-4.36%	See below
52500	46,985	41,436	38,100	39,910	39,961	41,461	39,110	-2.00%	33,500 audit; 1,500 tax returns; 1,200 LLC tax returns; 810 LLC tax filing; 350 Stmt of Info; 250 RRF1; 1,500 Form 5500
52600	38,803	53,599	91,231	116,302	119,529	131,564	93,822	-19.33%	See below
52700	22,911	13,558	4,864	12,500	6,231	8,900	11,000	-12.00%	10,000 general legal and 2,500 Fenton & Keller for personnel matters; de Guigne legal expenses are paid by the fund
52800	4,358	4,358	3,237	4,500	2,859	2,859	4,500	0.00%	Annual policy premium
52900	16,896	16,812	17,732	18,400	14,606	17,800	17,600	-4.35%	Local, long distance conference calls and web hosting
52950	11,700	16,250	22,117	27,950	33,074	33,899	38,550	37.92%	LCCF, GEO, NCPG, FAOG, Family Philanthropy & new board members COF Fundamentals Course
53000	7,400	12,659	6,755	8,050	2,070	2,070	8,050	0.00%	WF lunch proceeds, transfer to Women's Fund Endowment; CGA license; Statement of Info filing; Sales & Use tax
53100	82,309	72,803	70,173	76,113	69,773	70,500	80,130	5.28%	See below
	399,456	392,617	466,103	532,986	492,708	537,848	548,939	2.99%	
Computer Maintenance includes: 30,684 Alvarez monthly services (2,557 per month), including backup, 900 O365, 1,100 Sonicwall and 2,700 Adobe Pro annual licenses, 6,600 Azure (550 per month), 90 SSL certificates, 2,000 business continuity and 1,224 0365 backup cloud safe subscriptions and 3,000 add'l work									
Printing /Newsletters includes: Mrkt = 10,000 2 newsletters, 2,200 newsletter design, 2,175 Legacy News, 3,300 envelopes, 900 Affiliate Fund materials, 240 CopyMat printing, 3,000 donor education materials, 300 notepads; CNE = 50 graduation program, 330 postcards, 50 nonprofit survey cards									
Dues/Subscriptions/Publications includes: Actg = 300 FAOG dues, 11,179 LCCF dues, 750 COF Legal Compendium, 250 GAAP Guidem 1,500 National Standards; Admn = 520 newspspers, 1,000 Stay In Business 120 Costco, 160 notary; Devl = 300 AFP, 85 Chronicle of Philanthropy, 2,000 Mty Bay Economic Partners, 300 SV Chamber, 600 Rotary-Dan & Christine, 1,500 Nat'l Center Family Philanthropy, 85 Partnership for Phil Planning, Alliance, 85 NCPGA, 1,500 AFP Brian, Mackenzie and Minnie; Mrkt = 300 Communications Network, 725 Chamber memberships, 250 Nonprofit Technology Network; Pers = 3,500 TPO membership; Prog = 3,590 GEO, 500 Womens FN, 150 PEAK (formerly GMN), 100 ProNet, 1,000 NGO Source, 840 Rotary-Robert; CNE = 500 NAMC, 450 Cal Nonprofits, 90 NP Quarterly, 300 Alliance for NP Mgmt									
Contract Services includes: Admn = 500 shredding service, 500 movers; Devl = 23,160 Donor Central, 7,250 PG Calc, 7,500 Van Scoyoc, 1,000 LCCF advocacy; Mrkt = 1,050 Constant Contact, 250 web hosting, 6,300 web maintenance and upgrades, 700 web audit; Pers = 5,000 ADP, 29,862 IT consultant for 6-months; 8,000 MC Gives temp, CNE = 600 design for CNE and LEAD flyers,150 NP Survey									
Depreciation includes: pre 2020 fixed asset depreciation = 46,159, 23,000 new purchases in 2020 = 4,600 new depreciation expense, building improvements w/\$62,000 new = 1,077, building = 27,782									

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Occupancy Costs									
54100	11,656	11,987	11,625	12,000	11,638	11,638	12,000	0.00%	General liability and earthquake policies
54200	10,540	11,461	10,337	11,000	8,398	11,000	19,200	74.55%	Plumbing, telephone, HVAC, roofing, electrical and \$9,000 for painting the back of the building
54300	23,275	19,023	19,983	20,500	19,572	21,072	21,100	2.93%	Janitorial, landscaping, window washing, carpet cleaning
54400	46,490	46,267	47,515	51,989	44,850	51,989	53,350	2.62%	Salinas only - 2,268 sq feet @ 1.85 + \$3,000 CAM
54450	55,394	53,467	51,335	48,988	45,000	48,988	46,412	-5.26%	Interest only, per amortization schedule
54455	1,585	1,601	1,668	1,700	1,669	1,700	1,700	0.00%	Taxes for the land only, the building is exempt
54500	33,392	32,271	30,697	31,000	26,886	29,500	31,100	0.32%	PG&E, Cal Am Water, Monterey City Disposal and First Alarm
Total Occupancy Costs	182,331	176,076	173,159	177,177	158,012	175,887	184,861	4.34%	
Development & Staff									
55100	66,843	63,616	83,941	93,050	93,645	94,000	93,550	0.54%	See below
55200	37,047	32,481	41,631	43,914	39,525	49,980	43,904	-0.02%	See below
55300	8,759	9,847	10,970	11,760	9,914	10,750	11,900	1.19%	Mileage at .51 per mile and CFMC hosted meetings. Increased mileage due to North and South County events.
55312	34,070	32,530	30,455	50,900	43,492	46,900	50,350	-1.08%	Center for Nonprofit Excellence workshops, grantee information sessions and fundholder investment presentation
55400	25,008	28,457	26,854	29,500	20,386	29,500	35,000	18.64%	Celebration of Philanthropy event
55405	0	0	0	0	0	0	70,725	0.00%	All expenses related to th 75th anniversary celebration
55450	20,217	22,500	24,463	26,000	26,279	26,279	27,250	4.81%	All expenses related to the annual report, including design, printing, postage and mailing service. Reflects increase in list size.
55501	5,102	4,141	4,145	6,430	3,145	6,087	7,580	17.88%	Staff holiday party, quarterly lunches, staff retreat, staff recognition
55510	5,309	4,316	5,018	7,150	2,552	5,200	6,950	-2.80%	See below
Total Program & Development	202,356	197,888	227,476	268,704	238,937	268,696	347,209	29.22%	
Total Expenses	2,603,260	2,710,297	2,901,923	3,264,946	2,914,666	3,116,403	3,580,490	9.66%	
Excess Revenue over Expenses	9,339	84,983	172,718	7,088	(26,900)	492,514	75,000	958.14%	
						Excluding 75th Anniversary Revenue	78,000		
						Excluding 75th Anniversary Expenses	(70,725)		
						TOTAL	82,275		
Donor Development includes: 40,000 WF Lunch - expenses offset by ticket sales and sponsorships, 17,500 Legacy Society, 2,000 CPA bags, 2,000 VPPS/donor lunches, 1,000 other events , 3,500 Dan lunches, 1,100 VPPS Rotary, 150 IMPOWER, 700 Philanthropy Day, 1,100 Dan Rotary, 12,000 Corral dues, 500 CPE event, 2,000 SMCF events, 2,000 NOCO events, 2,000 Siembra events, 1,000 Siembra Latinos meetings, 2,000 Big Sur events, 3,000 PA Council luncheon									
Advertising and Promotion includes: Mrkt = 4,000 Creative, 1,700 MC Gives, 1,100 Philanthropy Day, 3,150 King City Rustler, 1,500 cultural ads, 2,000 event photography, 1,000 Facebook ads, 363 social subscriptions, 5,920 Pine Cone, 4,000 Carmel Magazine, 4,260 Coastal Growers, 6,521 MC Weekly, 2,850 cubes, 2,000 other ads TBD; CNE = 150 Chamber email, 350 KAZU, 50 Facebook, 3,000 radio ads									
Workshops & Assemblies includes: CNE = 6,000 Center for Nonprofit Excellence workshops, 47,450 LEAD institute, alumni events and coach stipends; Prog = 300 grantee info sessions; Devl = 900 fundholder/donor education events									
Board and Committee Expenses include: Admn = 800 retreat food, 500 board meetings, 1,200 holiday gathering, 100 name tags & manuals, 600 board gifts; Prog = 500 committee refreshments; CNE = 250 LEAD interview lunches, 500 SACT event, 250 coach appreciation lunch; Devl = 1,000 WF Leadership Council and PA Council meetings, 500 RD committee lunches; Actg = 800 Dropbox, 100 committee meetings									