

BOARD MEETING

December 11, 2014

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United Way of Pierce County

ACTION:

Approval of Minutes: October 24, 2014

Jamey McCormick

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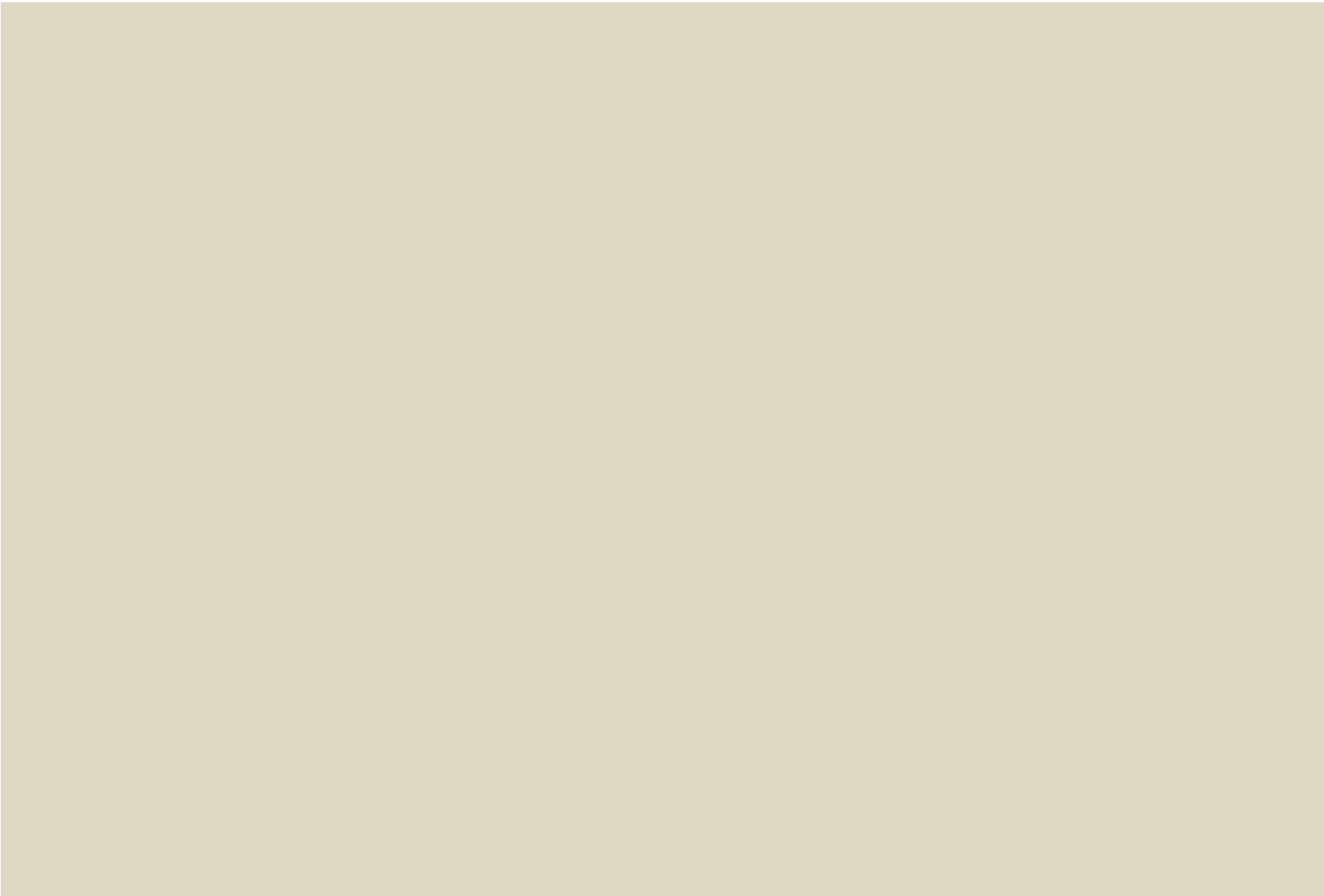
President's Report

Dona Ponepinto

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Board Thank You Calls

Sean Armentrout

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2015 Proposed Budget

We work from the heart to unite caring people to tackle our communities toughest challenges

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Today's Agenda

- Budget Process/Timeline
- Financial State of UWPC
- Unrestricted Reserves
- Revenue
- Proposed Budget Forecast - Big Picture Numbers
- Personnel and Non-Personnel Line Items
- Overhead Projection

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Budget Process/Timeline

- Management team prepared and reviewed in October
- **Finance Committee Reviewed on Nov 5 without any changes**
- Executive Committee Review – **Today**
- Board Study/Approval Session – December 11

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Focus Areas

- **Strong Start for Kids:** Help ensure all our children are physically, socially, emotionally and cognitively ready to participate and learn in school (0 to 5 years old). **Goal - Increase the number of children ready for kindergarten from 60 percent to 90 percent.**
- **Early Grade Success:** Help ensure all our children receive the support they need to perform at or above grade level by age 10. **Goal - Increase the number of low-income children reading at grade level by the end of the third grade from 67 percent to 90 percent.**
- **Strong Families:** Help families provide a stable and nurturing environment for their young children (0-10 years old). **Goal – Increase the percent of families with children who are financially stable.**
- **Basic Needs and Supportive Services:** We will continue our long standing history of investing resources in programs that support food, clothing and shelter to help the most vulnerable individuals in our community.

Financial State of UWPC

- **Unrestricted Reserves** – \$300,000 decrease in 2014, less than the \$580,000 forecasted decrease; projected year-end \$1M
- **Community Campaign Revenues** – flat from 2013-14, but expected to grow in coming years
- **Uncollectible rate on pledges**– Good (3.75%; United Ways our size avg. 7.2%)
- **Impact Dollars** – Looking to grow grants as products are developed
- **Unrestricted Dollars** – will grow with focused effort on CRM strategies
- **Building** – expensive repairs; Multicare may not renew their lease; reserves still in good shape
- **Endowment** - approaching \$3.5M (received \$236,000 bequest)
- **Donor retention** – Leadership currently 69%; goal is to increase to 80%

Financial State of UWPC

Areas at Risk

2-1-1

- Money for state 2-1-1 system is not in preliminary Washington State budget for the July 2015 biennium (this has happened before and we have had to step up advocacy efforts to get it back in the budget)
- Less money available for 2-1-1 transportation program from DOT. Puts one or two positions at risk depending on funding decision (\$95,000 annually)

CFC CAMPAIGN

- CFC campaign ends in 2015
- Loss of nearly \$1M will cause costs to jump by 2%
- Since we don't recognize the revenue until the following year (2016) we will have until the end of 2017 to make up the loss

Unrestricted Reserves

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Unrestricted Cash Reserve

2014 year-end projection \$1,000,000

We had projected year-end \$720,000

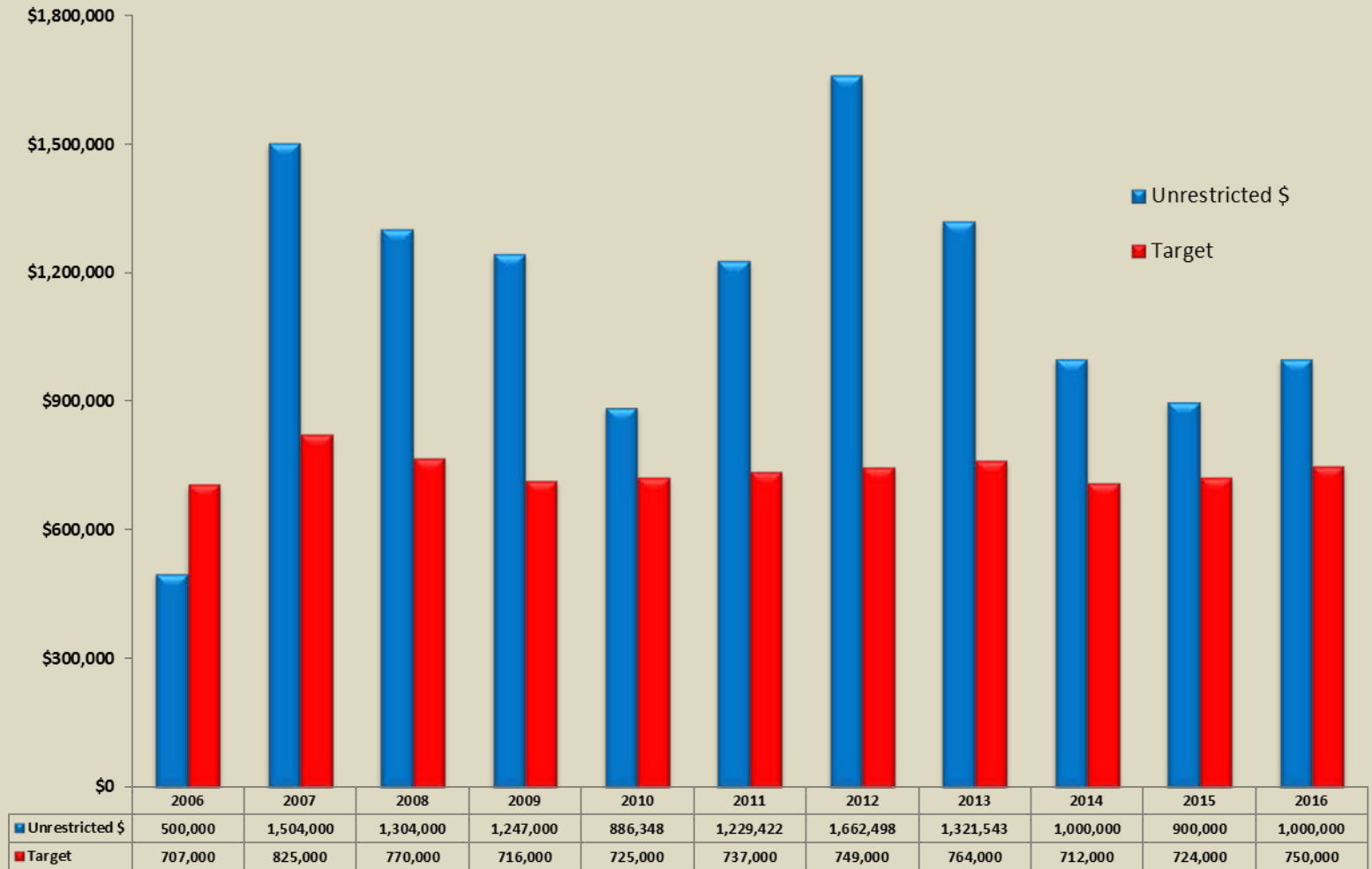
Minimum reserve target \$722,000

Amount over minimum \$278,000

2015 operating budget projection will have a goal to breakeven!

Management to ask for \$100,000 for flexible impact from reserves for 2015, down from original request of \$262,500; (\$25,000 to come from repurposing to unrestricted of ACES board set aside grant match which did not occur in 2013)

Unrestricted Reserves(undesignated) with Minimum Reserve Target - Est 2014-16



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Revenue Projection

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Revenue Forecast

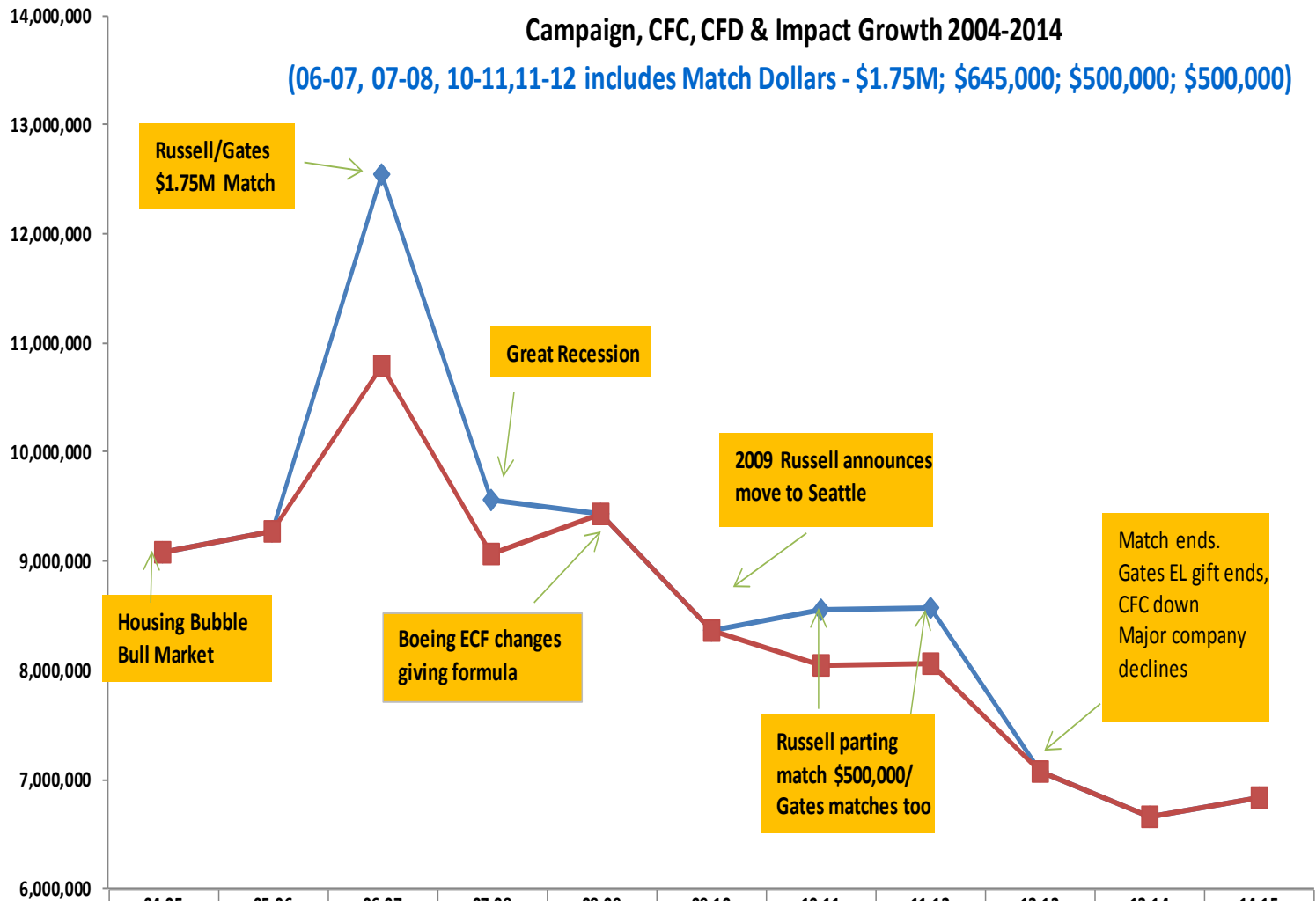
Forecasting 3.8% growth of \$189,000 in 2014-15 community campaign

Grants to increase of \$130,500; 23% growth

Decreases of \$251,305 in program income; **(\$100,000)** which is in-kind donations; remainder is 2-1-1 one-time grants and reduction in contract income and sponsorships

Campaign, CFC, CFD & Impact Growth 2004-2014

(06-07, 07-08, 10-11, 11-12 includes Match Dollars - \$1.75M; \$645,000; \$500,000; \$500,000)



	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
—◆— Total Raised	9,086,935	9,277,715	12,539,947	9,567,253	9,429,881	8,365,315	8,549,809	8,564,299	7,066,355	6,665,000	6,825,000
—■— Without Match	9,086,935	9,277,715	10,792,204	9,067,253	9,429,881	8,365,315	8,049,809	8,064,299	7,066,355	6,665,000	6,825,000

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Employee Community Fund (ECF) and Boeing Corporate Gift
 (green shows change in Boeing Corporate dollars from unrestricted to community impact)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
ECF	1,838,00	1,951,90	2,115,01	2,012,12	1,763,30	1,778,40	1,057,60	973,378	875,600	757,500	778,400	778,400	716,100	564,354
BOEING	447,000	425,000	425,000	425,000	425,000	500,000	425,000	212,500	175,000	-	100,000	-		
BOEING CI								287,500	325,000	-	250,000	275,000	75,000	75,000

Review 2015 Proposed Budget Forecast

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Resources

Decrease of (\$952)

Net campaign resources and grants		\$285,353
Program/Event Support:		
Event Income	(15,000)	
Program/Contracts	(131,305)	
CE Sponsorship	(5,000)	
GIK (non cash)	<u>(100,000)</u>	(251,305)
Miscellaneous Support		<u>(35,000)</u>
TOTAL RESOURECS		(\$952)

Community Investments

Decrease of **(\$279,627)**

Majority of the decrease is coming from UWPC programs	(\$113,594)
GIK – smaller space when daycare moves in	(100,000)
Various other line items	<u>(66,033)</u>
TOTAL COMMUNITY INVESTMENTS	(\$279,927)

Supporting Services

Decrease of (\$276,562)

Majority of the decrease is coming from UWPC Admin, Resource Development and Marketing	(\$222,562)
Equipment/Software – Cheney Grant 2014 not in 2015	(55,000)
Other	<u>1,000</u>
TOTAL SUPPORTING SERVICES	(\$276,562)

Personnel and Non Personnel Departmental Expenditure Budget (E)

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Personnel Line Items – Salaries and Benefits

Decrease of (\$260,000)

- Reduction in staffing from 37FTE to 30FTE which has taken place mainly through staff attrition
- 2-1-1 Health Benefit Exchange grant ends for two of those employees in 2014
- Includes salary step increases and projected 10% increase in medical premiums
- It may be time for us to consider having staff pay for part of the health insurance premium

Non Personnel Highlights

Decrease of (\$76,000)

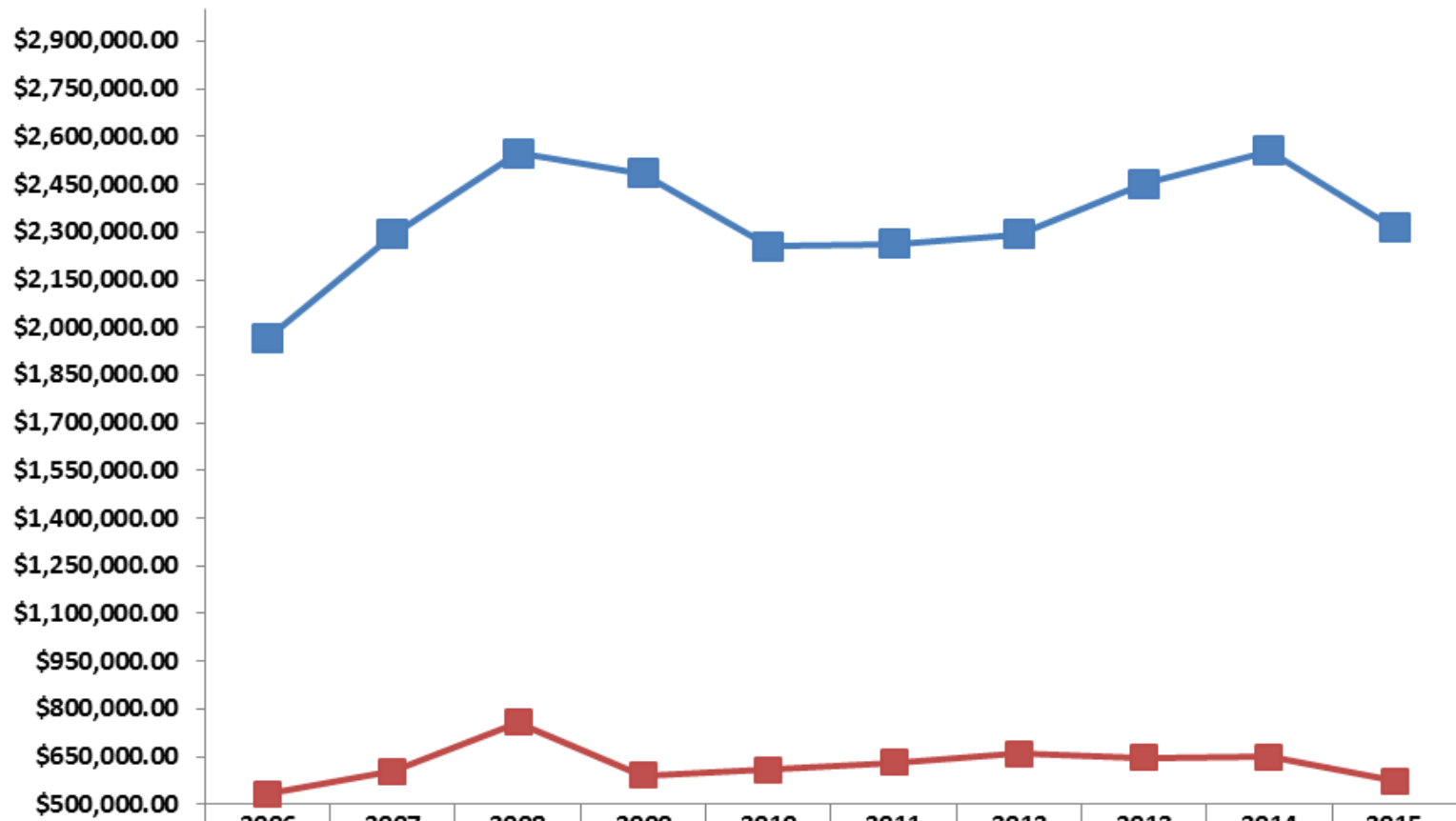
- Reduction in most line items
- Major reductions in advertising, promo supplies and printing
- Increases in training and travel related training; this area was rated one of the lowest in our last organizational self assessment. Management realizes the importance of training and wants staff to have the skills to execute on mission

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Costs Trends 2006 to 2015 Personnel and Non-Personnel



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sal&Ben	1,966,479	2,292,516	2,548,458	2,485,626	2,254,653	2,263,603	2,293,545	2,451,696	2,555,403	2,311,974
Nonpersonnel	531,740	603,483	757,235	590,780	608,754	631,287	660,195	645,326	649,251	573,224

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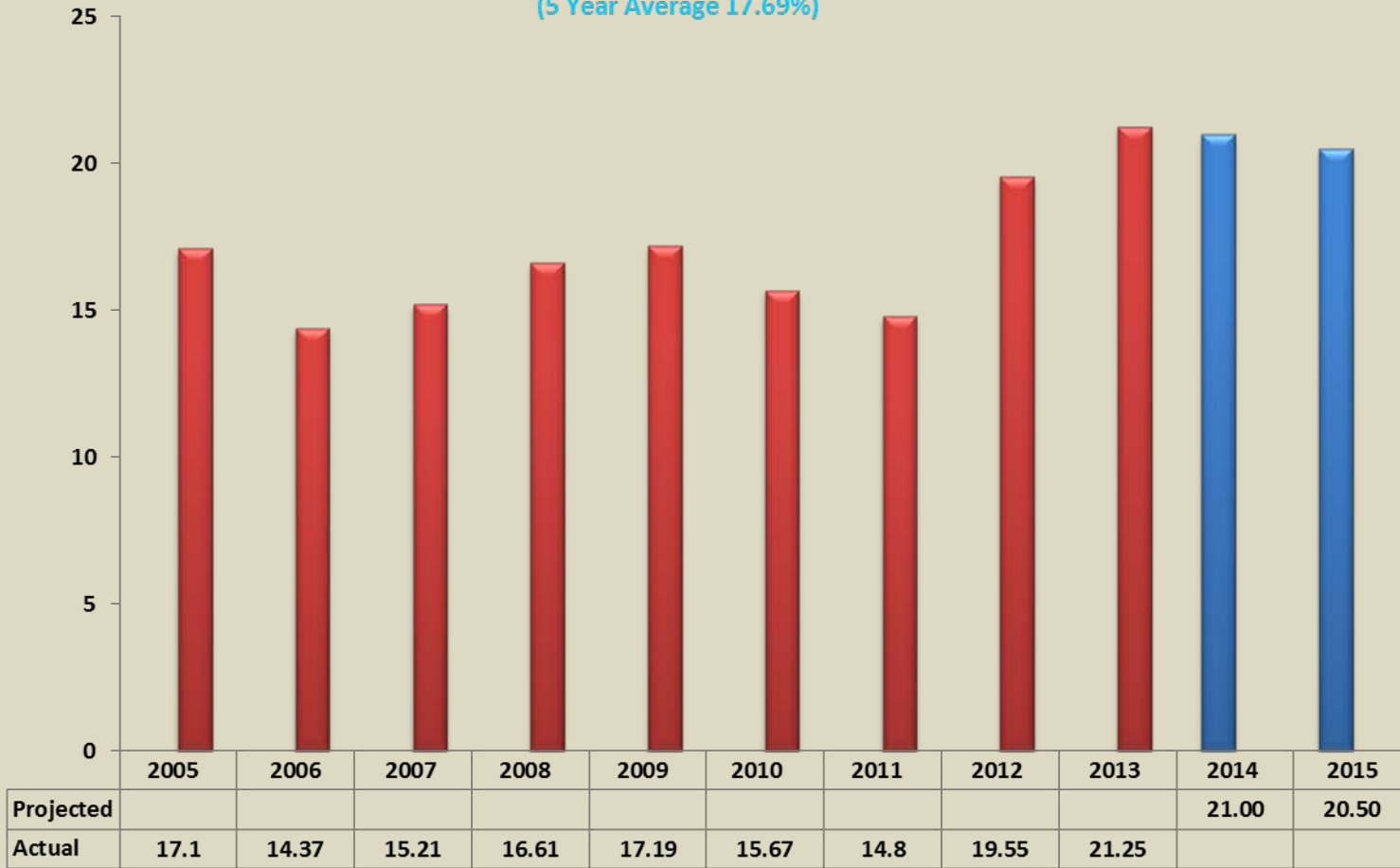
Overhead Projection

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Administrative Costs
With Projected Costs 2014 and 2015
 (5 Year Average 17.69%)



Items for Consideration

- Repurpose \$25,000 board set aside ACES match grant (grant did not materialize) to Flexible Impact
- Set aside \$75,000 of unrestricted reserves for future Flexible Impact investments
- Boys and Girls Clubs Hope Center Payment – 2015 and 2016:
 - Balance of grant \$204,581 (\$102,500 for 2015; balance 2016)
 - Projected year-end 2015 building cash reserve \$50,000 which is 2 months of operations
 - In 2016 we could pay \$50,000 from building reserves and borrow \$52,500 from UWPC reserves to be paid back in the future **OR**
 - We could pay less per our agreement with the Boys and Girls Clubs in each year

FUNDED AGENCY AUDIT/REVIEW REQUIREMENT

Current policy calls for funded agencies to submit an annual audit or review. In the last investment cycle there were 9 agencies that we funded for \$10,000 or less annually.

Our Finance Committee reviewed the audit/review requirement and felt that there should be greater flexibility in gaining assurance from agencies that would be less costly.

The Finance Committee proposed the following change to the existing policy:

To amend the current policy whereby:

“UWPC *may* require an audit or a review, but can use other alternative means to assure that an agency is sound and spending UWPC grant money appropriately. “

Motion

To approve the 2015 Budget as Presented

Governance Committee

Linda Nguyen

Dona Ponepinto

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New Board Members Recommendation

- Richard Rocks – Boeing
- Linda Proett – Regence

Motion

Approval of new Board Members

Campaign Update Benchmark Reporting

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Campaign Goals: Entire Campaign Perspective

	2013 Final	2014 Goal	Actual	Outstanding Projection	Gap (Act+Proj)-Goal
Workplace	\$4,339,367	\$4,629,000	\$1,149,962	\$3,251,345	(\$227,693)
ADT*	\$704,046	\$925,000	\$517,930	\$407,070	\$0
United Way Life**	\$0	\$250,000	\$0	\$250,000	\$0
Direct Giving/ End Yr	\$105,509	\$150,000	\$44,700	\$105,300	\$0
Sub Total:	\$5,022,922	\$5,828,000	\$1,691,162	\$3,818,849	(\$227,693)
Grants	\$391,169	\$640,000	\$500,000	\$140,000	\$0
UWPC Total:	\$5,414,091	\$6,468,000	\$2,191,162	\$3,958,849	(\$227,693)

* 2014 Goal subtotal has backed out \$126,000 for ADT Workplace so not duplicative

** Total Closed but Unaudited \$818,090 (Part of outstanding projection)

*** Campaigns running but not closed \$884,975 (Part of outstanding projection)

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End Year Benchmarks Toward Goal

	Benchmark by 12/31/2014	Actual	Gap
Workplace (Corp, SE & Donors <\$1,000)	\$2,015,000	\$ 994,554	(1,020,446)
Leadership Donors (<\$10,000)*	\$665,000	\$ 166,276	(498,724)
ADT	\$675,000	\$ 517,930	(157,070)
Direct Giving/ End Yr (Donors<\$10,000)*	\$90,000	\$ 44,700	(45,300)
Total:*	\$3,445,000	\$ 1,691,162	\$ (1,721,540)

* Direct Leadership is duplicated in both Leadership & Direct Giving and therefore backed out of the Total Actual Line

** Closing the Gap: Campaigns closed but unaudited \$818,090 and another \$884,975 projected for campaigns currently running through December. **Total - \$1.7 million**

** ADT: Additional \$30,000 in but not audited. Jaime Will and Corry McFarland steering ADT Committee calls for end year push.

Adjournment

Jamey McCormick

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