

UUA Board of Trustees
Financial Secretary's Report
March 21, 2022

FY 22-23 Budgets

The Values & Resources Working Group will meet this coming Wednesday, March 23, 2022, to receive a preview of the proposed FY 22-23 budgets from the administration. After that session, I will provide an update for this report.

As we review the proposed FY 22-23 budget, the Board should keep in mind the following Board Policies and Bylaws which govern preparation of the UUA's annual Operating Budgets. These restrictions are intended to ensure the fiscal health of the UUA, and to ensure that spending is sustainable over the long term.

- Board Policy 2.6.1.1, requiring submission of a balanced budget

A balanced operating budget for each of the Association's business segments based on reasonable planning assumptions, including projections of revenue and expenses for the fiscal year beginning on July 1. The budget must include revenue and expense projections for each budget section, including current operations, congregational loans, Beacon Press, General Assembly, and the Unitarian Universalist (UU) Common Endowment Fund.

- Board Policy Manual Appendix 2D: limiting the amount that can be drawn from the UUA's investments:

The amount made available for expenditure from the Association's endowment in a fiscal year shall be a weighted average of:

- the prior year's spending adjusted for inflation (weighted at 70%), and
- 5.5% of the trailing four-quarter average market value of the endowment as of the previous December (weighted at 30%).

However, the spending rate must be at least 4.5% and not more than 6.25% of the trailing four-quarter average market value of the endowment as of the previous December.

- Bylaws Rule G-10.1.2 (b)

The Current Fiscal Year budget shall contain a separate expense category provision for contingencies, the amount of which shall be a minimum of 3% of

the total of all unrestricted expense categories, exclusive of the provision for contingencies.

The Values & Resources Working Group will be reviewing these policies to determine whether they continue to serve us well, or whether changes might be needed.

Accountability Team Budget

The Working Group discussed the need for funding for the independent accountability group recommended by the Commission on Institutional Change.

Reparations

The Values & Resources Working Group feels that the independent accountability body recommended by the Commission on Institutional Change should be part of any discussions and decisions about reparations. We look forward to the appointment of such a group.

Compensation for Volunteers

The Working Group discussed the barriers faced by younger UUs in volunteering for leadership in our Association. Many have job and family responsibilities which make the time and lost wages that come with volunteer service difficult, as these roles have traditionally been organized. There are provisions for providing compensation for lost wages; the Working Group will continue to discuss the budget implications of those.

Financial Updates

The Working Group received monthly financial reports from UUA Staff, and received a financial update from Treasurer and Chief Financial Officer, Andrew McGeorge. In that way, we oversee the financial position of the UUA.

Future Issues

The UUA Board oversees the benefit plans of the Association. The Working Group believes that the Board should set aside time to receive a briefing on how these plans are structured, and the financial and human impacts of these plans. We suggest that such a briefing be scheduled in May, prior to the retirement of the Director of the UUA Health Plan.

Respectfully Submitted,

Kathy Burek

Financial Secretary