

MidAmerica Region, UUA
Minutes of Board of Trustees Meeting
May 20, 2017

Trustees present: Brian Bach, Kyrie Bock, Doug Cauble, Janis Cheney, Dixie Collinson, David Lauth, Tammy Lemmer, Sarah Oglesby-Dunegan, Ellen Germann

Trustees absent: Eric Huffer

Staff present: Ian Evison, Sharon Dittmar

Call to Order: Vice President Doug Cauble called the meeting to order at 1:22 p.m. and offered opening words.

Consent Agenda:

- Appointment of Timekeeper – Ellen Germann
- Appointment of Process Observer – Sarah Oglesby-Dunegan
- Appointment of Advocate – Tammy Lemmer

Updates and corrections to the Agenda.

- Minutes of the 4/4/17 MidAmerica Board Business Meeting – Doug Cauble called for approval of minutes. Approved unanimously.
- Minutes of 2017 MidAmerica Regional Assembly Business Meeting – Doug Cauble called for approved unanimously.
- Discussion and vote added to the Agenda – 3 Way Covenant, Standing Rock, and Financial Statements added to the Agenda. Brian Bach called for motion David Lauth seconded. Approved unanimously.

Discussion of Nomination for Camp Unistar Board and Possible Appointment –

Tammy Lemmer gave summary of background to relationship with Camp Unistar and how we partner with them to support for the Nominations of a Board Member for the Foundation.

David Lauth moved motion. Tammy Lemmer seconded. Doug Cauble called for vote and approved unanimously.

Discussion and Possible Approval of 2017-2018 Board Calendar.

Janis Cheney moved the motion Monthly meetings were set. Location for Spring 2018 and Summer 2018 are still being determined. Sharon Dittmar, Sarah Oglesby, and Janis Cheney will be looking into other options for retreat centers and this will be discussed in the coming meetings.

Changes to the 3 Way Covenant.

David Lauth proposed that we not make changes to the 3 Way Covenant until a new Director of Congregational Life has been since this Covenant is expiring June 30th, 2017. Ian Evison brought up the point to wait until the election of a new UUA President so we can have conversation as to how we will partner and be with relationship with the new roles.

Tammy Lemmer made the motion that the MAR Board covenant with Congregational Field Staff and the Regional Lead the 1st 5 points on the originals 3 way convent. We as the MAR Board will look forward to Re-Covenanting with UUA upon the identification of a new Director Congregational Life Staff or appropriate UUA Staff. Doug Cauble called for vote. All approved, Brian Bach opposed. Motion passed.

Notice of Explanation

Ian Evison read the proposed Resolution with the Note of Explanation. Please see attachment. Sarah Oglesby-Dunegan made a motion to accept the Resolution. Janis Cheney seconded the motion as amended. Approved unanimously.

Approval of the amended FY2018 Budget.

Doug Cauble called for motion. Brian Bach moved, Ellen seconded. Approved Unanimously. The amended budget included as attachment.

Process Observer and Advocate Comments:

Sarah Oglesby. Clear in communication. Tammy Lemmer – All voices were represented.

Closing Words: Doug Cauble offered closing words.

Adjournment: Tammy Lemmer moved for adjournment and Sarah Oglesby seconded. The motion carried unanimously, and the meeting was adjourned at 2:15 p.m.

Attachment from May Board Meeting Minutes 2017

- Whereas many of us in the MidAmerica Region of the UUA have been honored to join with others in support of the Water Protectors at Standing Rock.
- Whereas there is a great opportunity to build on the relationships forged in that witness, to help carry the vision of the Water Protector Movement forward in powerful ways by engaging in conversation and exploration of critical aspects needed for a collective understanding of genuine international collaboration.

Therefore, the Board of the MA region of the UUA follow the leadership of our Bismarck-Mandan Fellowship and accept the invitation to walk with the Inter-National Initiative for Transformative Collaboration (INITC) in creating spaces for that conversation and understanding, including especially support of the proposed gathering in Fall of 2017 in Sundance, Wyoming.

Note of explanation:

As written, this does not commit us to any specific actions. Johnnie Aseron in his explanation admitted that, as yet, it was mostly a statement of intent that would allow us to be listed on publicity as partners. The UU groups involved in this were on a call last week in which we discussed further steps that we the UUs involved in this would like to take:

- Participate in publicizing the event.
- Create preparatory training opportunities or materials for UUs who are intending to participate to increase cultural understanding.
- Support fund-raising, perhaps by a new Faithify grant, to at least off-set the costs to INITC of UU participation (INITC does not want to charge for the event).
- Advocate for organizational representation by UU senior leadership.

I myself plan to go either for some part of the week-long event or to volunteer to help in preparation. I will look to the guidance of Karen Van Fossan, minister of the Bismarck-Mandan congregation, concerning what would be most helpful.

MidAmerica Region UUA Balance Sheet

As of March 31, 2017

MidAmerica Region UUA Balance Sheet

As of March 31, 2017

	Total
ASSETS	
Current Assets	
Bank Accounts	
11000 MA Checking (7672)	\$ 216,033.16
11005 MWLS (7883)	7,674.44
11016 YMWLS (6250)	10,583.78
11018 UUANI (2083)	5,256.64
11020 MUUC/MUUF (3003)	68,028.15
11050 Savings (8131)	20,094.04
11080 Investment Accounts	\$ 420,872.29
Total Bank Accounts	\$ 748,542.50
Total Other Current Assets (Note 1)	\$ 2,218.09
Total Current Assets	\$ 750,760.59
TOTAL ASSETS	\$ 750,760.59
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	\$ 3,315.85
Other Current Liabilities	
23000 Reserve Funds/Temporarily Restricted by Donors/Grantees	
23105 CL-Fall Call	14,189.82
23106 CL-Winter Call	21,596.52
23107 CL-Spring Call	18,276.34
23110 CL-Administrative Reserve	1,301.79
23111 CL-Small Grant Fund	7,124.53
23120 CL-New Congregation Fund	7,190.69
23121 CL-Campus Fund	5,964.40
23122 CL-Social Justice Fund	1,678.16
23135 UUMA Chapters - Meeting Reserves	3,735.89
23140 Camp Star Trail Fund	5,610.49
23160 Annual Conference Planning Fund	4,961.11
23165 Regional Assembly Scholarship Fund	1,184.00
23170 Friends of PSD/MidAmerica	4,927.47
23180 History and Heritage Fund	3,117.77
23305 Mosaic Makers Grant - UUA 2016	10,100.00
23310 UUA Association Sunday Reserve	936.31
23320 UUA Grant for New Fellowship Initiatives	1,305.67
23350 UUA/PSD Seminary Student Support Project	9,199.83

MidAmerica Region UUA Balance Sheet

As of March 31, 2017

	Total
Total Temporarily Restricted Funds	\$ 122,400.79
23200 scholarship funds	
23205 Northern Area Youth Council Fund	330.06
23210 Blevins/Clay-Wall Fund	5,307.70
Total 23200 scholarship funds	\$ 5,637.76
23600 CMwD reserves	278.02
Total 23000 Reserve Funds/Temporarily Restricted by Donors/Grantees	\$ 128,316.57
24000 Special/Dedicated Funds (Staff and/or Board Temporarily Restricted)	
24020 Standing Rock Travel Fund	2,262.57
24210 Equipment Fund	3,321.58
24510 MidAmerica Transition Fund	\$ 27,418.51
25000 Restricted Funds/Permanently Restricted	
25100 Frank Gentile Fund	28,747.26
25200 Endowment Fund-PSD	19,991.75
25300 Judy Memorial Lecture Fund	1,175.00
Total 25000 Restricted Funds/Permanently Restricted	\$ 49,914.01
28000 Affiliated Organizations	\$ -
28100 Minnesota Social Justice Alliance	27.93
28300 MidWest Leadership School (Note 2)	\$ 7,395.26
28500 Youth Midwest Leadership School	\$ 10,583.78
28700 UUANI - UU Advocacy Network Illinois	5,256.60
28800 MUUC/MUUF Funds	68,028.15
Total 28000 Affiliated Organizations	\$ 91,291.72
Direct Deposit Payable	
Total Payroll Liabilities	\$ 2,877.29
Total Other Current Liabilities	\$ 310,489.75
Total Current Liabilities	\$ 313,805.60
Total Liabilities	\$ 313,805.60
Equity	
30000 Opening Balance Equity	(3,615.89)
39000 Retained earnings/Net Assets	(12,865.10)
39100 Central Midwest District	62,620.04
39200 Heartland District	58,923.09
39300 Prairie Star District	253,192.12
39500 Unrealized Gain/(Loss) on Investments	12,041.41
Net Income	66,659.32
Total Equity	\$ 436,954.99
TOTAL LIABILITIES AND EQUITY	\$ 750,760.59

Note 1: This amount of other current assets is the former loan to Nancy Harden; it has been paid back through deduction from final pay check, but has not been reflected on the balance sheet yet.

MidAmerica Region UUA Balance Sheet

As of March 31, 2017

	Total
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Note 2: periodically, the balance between the bank account asset and the liability account that offsets that account end up temporarily out of balance; this happens from a variety of reasons, but one common one (and that appears to be the case on this statement) is that when reimbursement checks are inadvertently discarded (mistaken as junk mail), we replace the check before the bank credits us back for the first check. These accounts will be balanced by year-end.

MidAmerica Region UUA
Budget vs. Actuals: MidAm - FY17 P&L Classes
3rd Quarter vs Full Year Budget

	Actual to Mar 31, 2017	Budget to June 30, 2017	over/(under) Budget	% of Budget
Income				
41000 Income from Congregations	\$ 332,514.25	\$ 503,125.00	\$ (170,610.75)	66.09%
42000 UUA Grants	\$ 33,884.00	\$ 65,000.00	\$ (31,116.00)	52.13%
43000 Program Registration Fees	25,963.98	63,700.00	(37,736.02)	40.76%
44000 Congregational Consulting Fees	\$ 6,375.00	\$ 7,300.00	\$ (925.00)	87.33%
45000 Interest/Investment Income - Operating		25,000.00	(25,000.00)	
46000 Grant Funding (MUUC/MUUF)	\$ 60,583.92	\$ 75,000.00	\$ (14,416.08)	80.78%
47000 Fundraising (Friends)	\$ 8,689.66	\$ 8,000.00	\$ 689.66	108.62%
48000 Misc and Pass Through Funds (Note 1)	\$ 20,507.75	\$ 1,000.00	\$ 19,507.75	2050.78%
Total Income	\$ 488,518.56	\$ 748,125.00	\$ (259,606.44)	65.30%
Expenses				
51000 Administrative Expenses				
51100 General and Office Expenses	23.35		23.35	
51101 Rent - Office	2,633.88	3,240.00	(606.12)	81.29%
51110 Postage and Shipping	628.46	1,300.00	(671.54)	48.34%
51120 Printing and Copying	370.10	600.00	(229.90)	61.68%
51130 Office Supplies	1,784.74	1,600.00	184.74	111.55%
51140 Office Expenses - Other	164.11	500.00	(335.89)	32.82%
51150 Business Report/Government Filings	20.00	300.00	(280.00)	6.67%
51200 Equipment and Leases	\$ 2,533.81	\$ 6,940.00	\$ (4,406.19)	36.51%
51300 Insurance	\$ 2,305.09	\$ 4,000.00	\$ (1,694.91)	57.63%
51400 Communications	\$ 10,485.34	\$ 18,140.00	\$ (7,654.66)	57.80%
51520 Bookkeeping	18,605.79	21,000.00	(2,394.21)	88.60%
51530 PR/Marketing (Note 2)	507.53		507.53	
51535 Bank Fees	200.00	1,000.00	(800.00)	20.00%

MidAmerica Region UUA
Budget vs. Actuals: MidAm - FY17 P&L Classes
3rd Quarter vs Full Year Budget

	Actual to Mar 31, 2017	Budget to June 30, 2017	over/(under) Budget	% of Budget
51540 Merchant Service Fees	927.08	3,000.00	(2,072.92)	30.90%
51570 Audit and Accounting Services		7,000.00	(7,000.00)	
51580 Legal Services		100.00	(100.00)	
Total 51500 Contracted and Other Services	\$ 20,240.40	\$ 32,100.00	\$ (11,859.60)	63.05%
52110 Heritage Project		600.00	(600.00)	
61000 Board and Governance Expenses				
61200 President Expenses (including incoming president GA)	\$ 3,458.61	\$ 3,000.00	\$ 458.61	115.29%
61300 Board Meeting Expenses	8,607.66	11,000.00	(2,392.34)	78.25%
61380 Board Linkage		500.00	(500.00)	
61390 Board Expense - Other		2,000.00	(2,000.00)	
61400 Nominating Committee Expense		200.00	(200.00)	
62000 Stewardship Expenses	123.96	3,000.00	(2,876.04)	4.13%
70100 Salaries-Regional Staff	85,810.39	131,072.00	(45,261.61)	65.47%
70200 Benefits-Regional Staff	\$ 20,832.97	\$ 37,453.00	\$ (16,620.03)	55.62%
70400 Professional Expenses-Regional Staff	1,719.65	10,551.00	(8,831.35)	16.30%
70600 Salary, benefits, taxes - Affiliated Orgs	(37.70)		(37.70)	
72000 CoFunded Staff-Compensation to UUA (Note 3)	160,567.50	330,729.00	(170,161.50)	48.55%
73000 Professional Expenses-Cofunded Staff	\$ 44,542.04	\$ 63,000.00	\$ (18,457.96)	70.70%
79000 Payroll Expenses	\$ 6,925.07	\$ 11,027.00	\$ (4,101.93)	62.80%
80100 Independent Contractors	\$ 5,300.31	\$ 11,000.00	\$ (5,699.69)	48.18%
80200 Regional Workshops and Programs	\$ 19,056.00	\$ 63,000.00	\$ (43,944.00)	30.25%
80410 Background Checks	180.75	100.00	80.75	180.75%
80500 Scholarship registrations and Waivers		3,000.00	(3,000.00)	
80600 Transitions	\$ 8,048.07	\$ 9,000.00	\$ (951.93)	89.42%
83100 Faith Development Support & Resources	450.00	1,000.00	(550.00)	45.00%
83200 Young Adult Ministry Support	51.44	2,000.00	(1,948.56)	2.57%

MidAmerica Region UUA
Budget vs. Actuals: MidAm - FY17 P&L Classes
3rd Quarter vs Full Year Budget

	Actual to Mar 31, 2017	Budget to June 30, 2017	over/(under) Budget	% of Budget
83300 Youth Ministry Support	658.13	2,500.00	(1,841.87)	26.33%
99000 Uncategorized Expense	35.75		35.75	
Total Expenses	\$ 407,519.88	\$ 764,452.00	\$ (356,932.12)	53.31%
Net Operating Income (Note 4)	\$ 80,998.68	\$ (16,327.00)	\$ 97,325.68	-496.10%

Note 1: This amount includes a bequest of \$20,497.25 from D. Prior; it will be moved from the income statement to the balance sheet prior to the year end.

Note 2: The amounts charged to PR are in the process of being reallocated to Regional Assembly and Printing

Note 3: The payment for the third quarter was not assessed and paid until April 2017

Note 4: The operating income does not include the third quarter payment to the UUA for staffing, any of the offsetting Regional Assembly expenses, and includes the income from the Prior Bequest.

**Financial Report to Board
Third Quarter Fiscal Year 2017
Lisa Presley, for the staff**

Summary

The bottom line is that we're doing just about as we expected. We have had some savings (through the absence of a full-time administrator), and we will have some additional expenses (the severance for Dori Davenport Thexton's position, which is paid in FY17, but we will spread out into FY18). The income side at this point includes a bequest we have received for over \$20,000, that has not yet been moved into restricted income. The expense side does not include the payment to the UUA for the third quarter staffing, nor any of the costs for Regional Assembly. So although the bottom line at this point appears to include an \$80k surplus, this is illusory. We do expect to come in more or less break even for the year. Please see the separate report on the reconfiguration of the budget for a more in-depth look at what the staffing changes mean for us as a Region this year, and next.

Please note: due to the timing of Regional Assembly, and the lack of a full time administrator, the financial statements are a bit "rough," in that ordinarily after review of them, I work with our bookkeepers to present them with corrections made. But rather than delay the presentation to you, I have made some notes on the financial statements themselves to indicate some of the changes that need to be made. I will also make mention of the big ones in this written report.

Income:

We expect to meet most of our income objectives for this year, save we may have been overly optimistic on congregational giving. It is never easy to predict where we will end up, as many congregations pay all of their funds early in the year, while others wait until the last moment. As of the end of March, when we were 75% through the year, we had received 66% of our budgeted amount for these contributions. Program registrations are a tad below that 75% point, but much of the income for Regional Assembly shows up later, and we also generally budget our events to be income neutral, or to make a small profit. As stated in the summary, and as a note to the profit and loss statement, the income side includes the \$20k bequest from Prior that will be moved out of the operations side of the finances to the balance sheet side. We also have not transferred any of the funds from the investments, as put forward in the budget.

Expenses:

Most expense items are on track for this, save for a couple of exceptions. Office supplies may be higher than budgeted, but there are also some items in this that need to be reallocated to the programs to which they relate. We may find ourselves also going over

budget for the bookkeepers, and this is predominantly related to them doing some of the work that the full-time administrator would have done.

The statement only reflects one-half of the funds that will be paid to the UUA for co-funded staff salaries. As well, this item will probably exceed the budget as we will be paying the severance pay for Dori Davenport Thexton in this year. This will be an additional 6 months of her salary, and so five months of that amount would be attributable to the next fiscal year. We have “saved” some money without the salary and benefits for the full-time administrator, as we have though spent some of those funds to augment the hours of the other administrative staff.

Program expenses appear low, but the majority of those expenses are for Regional Assembly, and those costs don’t show up until later this month.

The other area where over-budget spending is anticipated is for the Board. As of the end of March (before the costs for Board members at Regional Assembly or the full costs of the May 2017 meeting are in hand), the Board is over budget in the President Expense category (the cost of GA attendance for the president and vice president, and the DPA meetings), and the Board was at 78% of the amount allocated for Meeting expenses. Without knowing the travel costs and the costs of the accommodation for both RA and the May meeting, I cannot estimate what the final numbers will be. The Board appears not to have spent any of the linkage or other expense items, so that does provide a bit of a cushion.

Balance Sheet

On the balance sheet itself, there are two important notes.

The first concerns the “other current assets” amount of \$2,218.09. This amount was the balance of the loan outstanding to Nancy Harden at the time of her dismissal from the staff. This has been paid in full—we deducted the funds owing from the vacation pay that she was to receive, in accordance with advice from the UUA HR staff. The entry to reflect that has not been made, and I have instructed the bookkeepers to do so.

Secondly, you will note, if you compare the figures, that there is a slightly different amount in the bank account for MWLS than is recorded as owing to MWLS in the liability section. There are times when things slip across the months’ end—when we might have paid something from the operating account that “belongs” to MWLS, and where the transfer reflecting that is not made until the next month, and the like. We do a reconciliation of these two accounts regularly, and rectify any bookkeeping errors. You will note that the amounts being held for Youth MidWest Leadership School, UUANI, and MUUC/MUUF do balance the bank account to the liability.

Group	Account	Sub-Account	Name	Approved sub-sub MA FY18	Approved sub MA FY18	Approved Budget MA FY18	May 2017 Revised Amounts due to Staffing Changes	Difference between Approved Budget and May 2017 Revisions	Change Explanation
40000	INCOME ACCOUNTS								
41000	Congregational Contributions					\$ 503,125	\$ 495,125	\$ (8,000)	allocation of some of the "savings" from eliminating a field staff position
	41100		Full Share Current Year		\$ 718,750				
	41150		Full Share Current Year Discount		\$ (215,625)				
42000	UUA Grants					\$ 62,000	\$ 62,000		
	42100		APF Grants		\$ 62,000				
	42300		Other UUA Grants						
43000	Program Registration Fees					\$ 45,875	\$ 45,875		
	class		Lifespan Religious Education		\$ 4,000				
		subclass	Renaissance Module - Fall	\$ 2,000					
		subclass	Renaissance Module - Spring	\$ 2,000					
	class		YMWLS		\$ 15,000				
	class		Youth Ministry Events		\$ 7,075				
	class		Young Adult Ministry Events		\$ 800				
	class		Regional Assemblies		\$ 15,000				
	class		Trainings		\$ 4,000				
44000	Congregational Consulting Fees					\$ 9,800	\$ 9,800		
	44100		Honorarium		\$ 6,300				
	44200		Travel Equalization		\$ 1,000				
			Developmental Ministry		\$ 2,500				
45000	Interest/Investment Income - Operating					\$ 25,000	\$ -	\$ (25,000)	eliminate transfer from investments to fund operations
	45500		Income from Investments						
46000	Grant Funding					\$ 80,000	\$ 80,000		
	46100		MUUC/MUUF		\$ 80,000				
47000	Fundraising					\$ 12,000	\$ 12,000		
	47100		Friends of Region		\$ 12,000				
48000	Miscellaneous and Pass Through Funds					\$ 1,000	\$ 1,000		
	48500		Miscellaneous Income		\$ 1,000				
49900	Transfers								
			Total Income Lines			\$ 738,800	\$ 705,800	\$ (33,000)	

50000 EXPENSE ACCOUNTS										
51000 Administrative Expenses										
51100		General and Office Expenses								\$ 8,080
51101		Rent								\$ 3,780
		class office								
		class storage								\$ 3,780
51110		Postage and Shipping								\$ 1,200
51120		Printing and Copying								\$ 800
51130		Office Supplies								\$ 1,600
51140		Office Expenses - Other								\$ 500
51150		Business Report/Government Filings								\$ 200
51200		Equipment and Leases								\$ 7,365
51220		Equipment Maintenance								\$ 500
51260		Technology Escrow								\$ 2,000
51270		Software/Updates								\$ 4,865
51300		Insurance								\$ 3,000
51310		Liability								
51320		Workers' Compensation								
51400		Communications								\$ 17,290
51410		Telephone								\$ 8,000
51420		Internet								\$ 5,490
51440		Print Communications								\$ 500
51450		Electronic Communications								\$ 3,300
51500		Contracted and Other Services								\$ 35,100
51510		Technical								\$ -
51520		Bookkeeping								\$ 24,000
51535		Bank Fees								\$ 1,000
51540		Merchant Service Fees								\$ 3,000
51570		Audit and Accounting Services								\$ 7,000
51580		Legal Services								\$ 100
52000		Administrative Committees/Projects								\$ 600
52110		Heritage Project								\$ 600
61000		Board and Governance Expenses								\$ 18,200
61200		President Expenses								\$ 1,000
61210		DPA Expenses								\$ -
61220		Other President Expenses								\$ -
61230		Incoming President Expenses								\$ -
61300		Board Meeting Expenses								\$ 16,000

		61310	Meeting Venue										
		61320	Travel										
		61330	Board Communication										
	61380		Board Linkage										
	61390		Board Expense - Other				\$	1,000					
			Stewardship			\$	400						
			Other			\$	600						
	61400		Nominating Committee Expense			\$	200						
	61410		GA Registration Scholarship Program										
	62000		Stewardship Expenses				\$	3,000					
	62100		APF Expenses										
	62300		Fund Raising Expenses			\$	3,000						
	70000		Staffing										
	70100		Salaries: Regional Staff				\$	126,434					
		class	Admin 1			\$	47,940						
		class	Admin 2			\$	25,519						
		class	Technology Director			\$	39,716						
		class	Casual			\$	13,260						
	70200		Benefits: Regional Staff				\$	31,228					
		class	Admin 1			\$	15,669						
		class	Admin 2			\$	6,783						
		class	Technology Director			\$	6,776						
		class	Casual			\$	-						
		class	Benefits reserve			\$	2,000						
	70300		Travel: Regional Staff										
	70400		Professional Expenses: Regional Staff				\$	10,435					
		class	Admin 1			\$	4,285						
		class	Admin 2			\$	3,185						
		class	Technology Director			\$	2,965						
		class	Casual										
	70500		Staff Transitions										
			Administrator Transition										
	71000		UUA Contribution Shared Staffing										
	72000		CoFunded Staff: Compensation to UUA			\$	332,170	\$	294,170	\$	(38,000)	retained funds to offset the severance	
	73000		Professional Expenses: Cofunded Staff										
		73100	Professional Expenses: Professional Development			\$	7,500	\$	7,500	\$	-	individually increases to \$1.5k	
			Lead - Ian Evison			\$	1,250						
			Nancy Combs-Morgan			\$	1,250						
			Nancy Heege			\$	1,250						
			Phil Lund			\$	1,250						
			Lisa Presley			\$	1,250						
			Dori Davenport Thexton			\$	1,250						
		73200	Professional Expenses: Travel/Expenses			\$	54,000	\$	54,000	\$	-	individually increases to 10.8K	

			Lead - Ian Evison			\$ 9,000			
			Nancy Combs-Morgan			\$ 9,000			
			New Person			\$ 9,000			
			Phil Lund			\$ 9,000			
			Lisa Presley			\$ 9,000			
			Dori Davenport Thexton			\$ 9,000			
		73300	Professional Expenses, other						
	79000		Payroll Expenses				\$ 10,917		
		79200	Taxes/Contributions						
		79210	FICA/Medicare Employer Contribution			\$ 9,672			
		class	Admin 1			\$ 3,667			
		class	Admin 2			\$ 1,952			
		class	Technology Director			\$ 3,038			
		class	Casual			\$ 1,014			
		79230	Payroll Expenses			\$ 1,245			
80000			Program Expenses						
	80100		Independent Contractors				\$ 11,000		
		80110	Honoraria			\$ 8,000			
		80130	Travel and Meals			\$ 3,000			
	80200		Regional Workshops and Programs				\$ 44,500		
			YMWLS			\$ 15,000			
			Youth			\$ 7,500			
			Young Adult			\$ 1,000			
			Renaissance			\$ 4,000			
			OWL			\$ 1,000			
			REALL			\$ -			
			Regional Assembly			\$ 12,000			
			Face to Face			\$ 4,000			
	80400		Program Administration				\$ 100		
		80410	Background Checks			\$ 100			
	80500		Scholarship registrations and Waivers				\$ -		
		class	YMWLS			\$ -			
	80600		Transitions				\$ 12,000		
		80610	Ministerial Transitions Support			\$ 8,000			
		80620	Religious Educators Transitions Support			\$ 2,000			
		80640	Developmental Ministry Support			\$ 2,000			
	83000		Program Committee Expenses				\$ 5,300		
		83100	Faith Development Support & Resources			\$ 1,000			
		83200	Young Adult Ministry Support			\$ 1,200			
		83300	Youth Ministry Support			\$ 3,100			

	88000	Gifts and Caring								
99000	Uncategorized Expenses					\$ -	\$ 5,000	\$ 5,000	new venture experiments	
Total Expenses						\$ 738,220		\$ (33,000)		
Income						\$ 738,800				
Profit/(Loss)						\$ 580				
1/27/17 version										
2/2/17 version; reviewed by LP and IE; shared with Brian Bach, and incorporating some of his suggestions.										
2/7/17 version approved by the MA Board										
5/10/17 revised version										

**Report to the Board
FY17 and FY18 Budget Revisions, out of staffing changes
Ian Evison and Lisa Presley
May 2017**

This spring, several things have come together to create a financial shock to the system, and we realize that embedded in this is also the opportunity to stabilize the finances of the Region. What is true is that in times of massive uncertainty in organizations, what is required is two starkly opposed things: the need to be more conservative in financial projections, and the need to take new risks programmatically and possibly financially. The following outline of the major income/expense adjustments that we propose for FY18 attempts to incorporate both the conservative and risk taking sides of this equation.

As a further introductory comment, regionalization, though it allows for overall benefit of cost savings over time, was also an expensive venture to establish. At that time, both Central MidWest and Prairie Star authorized expenses from their accumulated surplus funds to allow us to complete the regionalization, and to invest what was necessary to ensure that our staff were all equipped with what we needed to become deep generalists. With the shake ups in staffing this year, it provides us with an opportunity to ensure that we establish ourselves on a new sustainable basis.

There are two separate occurrences that impact our budget and our financial forecasts. The first is the departure of Nancy Harden, our administrator, that mostly impacts our FY17 budget (though there is now some continuation of that into FY18). We do intend to hire a new full-time regional administrator, but at this point, it is anticipated that the new person will not be in place until sometime early this fall. Secondly, is the departure of Dori Davenport Thexton at the end of May, without the anticipation of hiring a replacement staff person.

FY17 implications:

With the departure of Nancy Harden as our administrator, we will have saved approximately three to four months of her salary and benefits. (We have increased the hours, temporarily, of our remaining administrative staff to cover the most pressing responsibilities of this position.) We recommend using some of the “savings” to eliminate the budgeted deficit of approximately \$16k that is included in the FY17 budget year (July 1, 2016 through June 30, 2017). Yet even as we do that, the FY17 budget still relies upon a transfer of funds from investments that is greater than the amount we will have earned off of investments. We will be addressing the matter of reliance upon investments as we outline the financial implications of Dori’s departure. *(Further notes: we have been doing this, in theory, for the past several years, even as we have not actually transferred money into our budgets to show this; we are waiting for the review of the finances by our outside accountant to see whether such transfers are actually necessary.)*

In FY17, we will also incur the cost of the severance pay for Dori Davenport Thexton. Although this amount covers six months' worth of salary and benefits, the UUA will be charging this to us in this fiscal year. With Dori's departure at the end of May, we will be in effect paying 17 months of salary/benefits during FY17, thus grossly inflating our staffing costs for FY17.

FY18:

We had budgeted approximately \$56k for salary and benefits for Dori in FY18. We propose that approximately \$18k of these funds be retained in the staff salary budget amount to "repay" ourselves for the five months' severance pay spent in FY17 that is over and above the FY17 budgeted amount. This would leave approximately \$38k of unallocated funds.

We propose that of that \$38k, we use \$25k to eliminate the reliance upon the transfer of funds from our investments (retained earnings). We recommend this for a couple of reasons: first to recalibrate our finances to ensure that we are not using capital funds to cover our operations, thereby increasing our financial agility. Secondly, this would ensure that if and when MidAmerica regional staff might become part of the UUA staff (as has happened in three of the other four regions), that the UUA would not inherit a financially unstable situation (where operations are funded by retained earnings). (Our proposals for the remainder of \$13k is covered below.)

For FY18, we recommend that the field staff travel stay at the same level, despite the fact that Dori will not be with us. The first approximation is that, even though we have fewer people, we will need to do extra travel to cover the work and responsibility that Dori has carried out during her time on staff. The work that she has done will not go away. Dori also concentrated much of her work on congregations nearest to her, and now we will need to have staff who live further away attend to them, thus incurring greater travel costs. This changes the travel funds from an average of \$9k per person to \$10.8k per person.

We also recommend that the Professional Development money allocated to Dori's position (\$1,250) be retained, and invested across the remaining field staff. We will need to gain some of the specialized knowledge that Dori alone had, and returns us to the level of professional development we had in the FY17 budget.

The good news is that for the FY18 (July 1, 2017 through June 30, 2018) budget, there is no deficit, even as we continue to include a transfer from investments to achieve that. Yet in order to achieve that, we pushed our projecting of giving from congregations upward by about \$35k. In keeping with the balance of conservation and risk, we recommend that we lower the income from congregations by \$8k of the "leftover" \$13k that remains from the funds originally allocated for Dori's salary and benefits.

We recommend that we invest the remaining \$5,000 of the funds originally allocated to Dori's salary and benefits in the risk side of the equation. We have yet to work out what this additional funding would be for, but at this point it seems that this would enable us to do additional work with our congregations on the subject of race and white privilege/dominance. We believe that it would be best to do something experimental and in partnership with others, and then to evaluate the outcome of such partnerships before we make long term commitments for this funding.

The total of these decreases in revenue (\$8k in congregational giving, \$25K in eliminating investment draw) and the increased expenditures (\$18k to pay ourselves back the severance pay, and \$5k for new ventures), total the \$56k that were originally allocated for Dori's salary and benefits.

FY18 might also see us with a slight savings in our administrator staffing costs due to the temporary hold on the hiring of our new administrator; we believe that the funds we save may well be needed to provide the new administrator with supplemental training, and visit to UUA headquarters to make necessary connections with members of the national staff team. We did this sort of investment with our last administrator, and see the value of making sure the next is properly connected with the entire UUA system.

FY19 and beyond:

If we go by our current and very uncertain budget predictions, the base level of our costs out to go down in FY19 by approximately an additional \$10k. We hope, of course, that we will be able to use these funds for new investments in program, but realistically we just can't know how the current situation may effect our income, and specifically congregational giving. So rather than creating dreams now of what we might be able to do with this on the program side, we recommend waiting and seeing what our new income levels are, and what changes there might be given the election of a new president. If we are to take on a project like working with congregations over time to change their cultures in response to the white supremacy conversations, that may take large new investments, and far more than the sums we are talking about here.

Footnote on Regional Staffing

In preparing this document, we made a quick comparison of the amount that some of the other regions (Central East and Southern) have per person for travel and professional development. In order to make the calculations similar across the range, we have included all the staff in the region (field staff and administrative staff) in the per person calculations. We note that in MidAmerica, the amount for travel is about \$3k less per full time staff equivalency. These amounts are one measure of what would be expected of us if MidAmerica staff were to integrate with the UUA, and that over time, we would need to have our budget in line with other regions. See the chart below.

Region	Administrative Staff	Program Staff	Total Travel and Professional Development	Per person amount
Central East	2.0 FTE	8.5 FTE	\$140k	\$13k
Southern	2.0 FTE	6.5 FTE	\$110K	\$12.9k
MidAmerica	2.0 FTE	5.0 FTE	\$72k	\$10k