



October 9, 2020

Dear Week of Compassion Board of Stewards:

We will look at the proposed 2021 budget closely at our upcoming board meeting, but I wanted to highlight a few important items for you to be aware of as we approve the 2021 budget. This pandemic has the potential to have a huge financial impact on this ministry and how we support our partners in the future. In looking at historical giving between 2008-2012 during the last recession, as well as talking with [ecumenical partners](#) and looking at congregational [research studies](#), we are projecting that Week of Compassion's budget could reduce by as much as 20% in the next three years. *This is a projection.* We are preparing for this ministry for the worst-case scenario, but the staff and leadership of this ministry will continue to work hard to fundraise so that this decline in projection will not be as severe.

Here are the things to pay close attention to:

1. Undesignated Income Stream:
 - a. **Undesignated Contributions:** gifts from congregations and individuals. This is where we project that the majority of our income will be impacted the hardest due to economy, church attendance, etc. These are outside of our control.
 - b. **Undesignated Contributions through CCF:** gifts from permanent funds and endowment held at the Christian Church Foundation. Over multiple years, we can anticipate the return in the endowment to be steady, and possibly grow, as the funds are invested securely and wisely at CCF.
 - c. **Interest Income:** earnings from Church Extension investments
 - d. **Joint Investment Trust Income:** earnings from Christian Church Foundation investments
 - e. **Field Receipts/Reimbursements:** honorariums or reimbursements from speaking engagements
 - f. **Miscellaneous Income:** Fair Trade products or special gifts

2. Partner program support: For the most part, our contribution to partners will remain the same for 2021. This will be more difficult in 2022 and 2023. DHM requested zero funding for Disciples Volunteering in 2021 due to the pandemic and not being able to send summer volunteers to mission sites. For the last two years, Week of Compassion has not funded the GMI program with Global Ministries because of the huge surplus that GM was carrying due to the low number of GMI applicants for the program. The surplus is running low, and GM is asking for Week of Compassion to put the GMI back into our budget, thus an increase of \$100k for GM in 2021.
3. Personnel and Office: We are freezing salaries for 2021 and reducing other costs as much as possible (mostly in transportations and printing).
 - a. One of the important messages for Week of Compassion is that 100% of all designated gifts go to where they are intended. The credit card fees, bank charges, and currency exchange are covered from unrestricted funds. The more gifts we get online and the more funds we wire transfer to our partners, the higher the cost will be in the credit card fees and bank charges.
4. In looking at the 9/30/2020 actual, you will see that our deficit spending is a little over \$420k; this is the COVID-19 spending that the board approved at the May meeting where Week of Compassion will dip up to \$800k into the reserve. If this full amount is spent, the unrestricted reserve will end with around \$1 million at the end of this year.
5. In 2021, the proposed budget is looking to go into the reserve by \$103k, still leaving Week of Compassion with roughly \$900k in the reserve.

If you have any questions before our meeting, please do not hesitate to reach me directly. Thank you.

Vy

Week of Compassion
Budget Report & Prior Year Comparison & Proposed Budget

	<u>Actual as of 9/30</u>	<u>Budget 9/30/2020</u>	<u>2020 Budget</u>	<u>Actual 9/30/2019</u>	<u>Actual 12/31/2019</u>	<u>2021 Budget</u>
Revenues						
Undesignated Contributions	1,353,647	1,381,660	1,750,000	1,424,230	1,782,388	1,660,000
Undesignated Contributions through CCF	198,005	190,000	350,000	157,237	417,730	425,000
Interest Income	46,104	40,000	50,000	44,296	81,594	50,000
Joint Investment Trust Income	12,710	15,000	20,000	18,837	25,461	24,000
Field Receipts/Reimbursements	600	2,600	5,000	1,559	2,689	1,000
Miscellaneous Income			1,000	2,090	2,290	
Total Revenues	<u>1,611,066</u>	<u>1,629,260</u>	<u>2,176,000</u>	<u>1,648,249</u>	<u>2,312,153</u>	<u>2,160,000</u>
Expenses						
Program Expense						
Program Distribution Grants	1,613,509	1,642,589	2,416,000	720,885	1,540,022	1,775,500
Total	<u>1,613,509</u>	<u>1,642,589</u>	<u>2,416,000</u>	<u>720,885</u>	<u>1,540,022</u>	<u>1,775,500</u>
Personnel & Office						
Salaries	192,667	184,942	246,589	187,226	250,349	244,746
Benefits	39,261	34,921	46,163	38,655	51,806	52,513
Travel	6,460	38,250	51,000	36,764	49,710	30,000
Facilities	2,364	2,311	2,681	2,308	2,678	2,731
Telecommunications	2,288	2,334	3,112	2,074	2,841	3,067
Postage	997	750	1,000	497	1,350	1,300
Computer & Equipment	15,031	7,017	8,222	7,660	9,151	9,246
Office Supplies	2,158	1,475	1,880	1,195	1,691	2,280
Bank/Currency Exchange Fees	779	750	2,500	344	4,350	4,350
Credit Card Fees	4,096	3,750	5,000	3,068	3,995	6,500
Committee Expenses	394	11,000	16,000	10,505	16,429	10,000
Accounting Services	27,750	27,750	37,000	27,750	37,000	37,000
Audit Services		7,000	7,000	7,000	7,000	7,000
Total	<u>294,244</u>	<u>322,249</u>	<u>428,147</u>	<u>325,048</u>	<u>438,350</u>	<u>410,734</u>
Fundraising						
Resource Development Minister	1,105	19,500	26,000		2,838	
One Great Hour of Sharing	21,543	25,000	25,000	23,313	23,689	20,000
Printed Material Mailings	11,160	17,417	19,000	13,342	18,030	15,000
Postage for Materials Mailings	21,921	22,000	22,000	20,572	21,701	22,000
Marketing and Communications	8,322	15,000	20,000	4,199	12,355	20,000
Assembly Expenses			12,000	402	4,801	
Total	<u>64,052</u>	<u>98,917</u>	<u>124,000</u>	<u>61,826</u>	<u>83,414</u>	<u>77,000</u>
Total Expenses	<u>1,971,805</u>	<u>2,063,754</u>	<u>2,968,147</u>	<u>1,107,759</u>	<u>2,061,786</u>	<u>2,263,234</u>
Investment Activity						
Unrealized Gain (Loss) on Investments	(62,903)			57,465	93,076	
Total	<u>(62,903)</u>	<u>0</u>	<u>0</u>	<u>57,465</u>	<u>93,076</u>	<u>0</u>
NET SURPLUS/(DEFICIT)	<u>(423,641)</u>	<u>(434,494)</u>	<u>(792,147)</u>	<u>597,955</u>	<u>343,443</u>	<u>(103,234)</u>

**Week of Compassion
Budget Report & Prior Year Comparison & Proposed Budget**

	<u>Actual as of 9/30</u>	<u>Budget 9/30/2020</u>	<u>2020 Budget</u>	<u>Actual 9/30/2019</u>	<u>Actual 12/31/2019</u>	<u>2021 Budget</u>
Program Grants						
Church World Service & Witness	152,669	152,669	229,000	146,666	220,000	257,000
World Council of Churches	69,332	69,336	104,000	69,332	104,000	104,000
DOM - Capacity Building	34,000	34,000	51,000	34,000	51,000	150,000
Immigration Attorney	6,666	6,667	10,000	6,666	10,000	10,000
DHM - Disciples Volunteering	14,667	14,667	22,000	15,333	23,000	
DHM - Refugee & Immigration Min.	43,333	43,333	65,000	47,334	65,000	65,000
Compassion in Action	1,213,342	1,240,000	1,700,000	366,600	1,005,818	1,000,000
Work Trip Grants	500	2,917	7,000	750	1,000	3,000
GHG Local Growing Projects			1,000			500
Action by Churches Together (ACT)	40,000	40,000	60,000	20,205	30,205	50,000
Growing Hope Globally			10,000		10,000	10,000
SWGSM Program Support	14,000	14,000	21,000	10,000	15,000	15,000
One Great Hour of Sharing	15,000	15,000	15,000			10,000
IMA World Health				4,000	4,000	
Bread for the World			1,000		1,000	1,000
Peace Building and Conflict Resolution	10,000	10,000	120,000			100,000
Total Program Grants	<u>1,613,509</u>	<u>1,642,589</u>	<u>2,416,000</u>	<u>720,885</u>	<u>1,540,022</u>	<u>1,775,500</u>