

The notes below are written to address the variances in our 2019-2020 budget compared to the 2018-2019 budgeted revenue and expenses.

REVENUES	
Contributions	Contribution revenue for 2019-2020 is budgeted at \$511,000 – comparable to the 2018-2019 budget and \$160,000 greater than the year-end projected revenue. Through the work with the capital campaign consultants, we have incorporated a major gifts program into the overall fund development plan in preparation for the capital campaign. A major gifts campaign will increase individual contributions and address the current gap in our annual fund.
Grants – Non-Government	Budgeted grant revenue for 2019-2020 is \$354,000 a reduction from the previous year’s budget and from projected year-end results. In recent years, we have received several grants from GSUSA that we do not expect to be renewed. We are facing greater competition for grant funds due to United Way losses and a portion of our grant efforts in 2019-2020 will be directed toward the Comprehensive Campaign – not included as part of operating revenue.
United Way	The projected United Way funding for the next year has been reduced by \$174,300 over the current budget. United Ways across our region have seen significant declines in the contributions they receive. The United Way of Greater Cincinnati has changed the focus of their allocations, resulting in a funding decrease of \$70,000 from 2018 to 2019 and an additional funding decrease of 10% is expected in 2020.
Fund Raising Events	Special event revenue is budgeted below last year’s budget by \$27,000 since we are projecting to carry out the Dayton event every other year. This decrease is partially offset by plans for increasing our revenue with the Cincinnati and Toledo Women of Distinction events.
Cookie Sale	The 16% increase in revenue from the cookie sale is attributed to the sale price increase for the 2020 sale. The increase is offset by a cost increase for product and rewards and an increase in the proceeds to the troops selling.
Nut Sale	The fall sale of nuts and candy continues to be extremely successful. The budget for 2019-2020 reflects an expected continuation of that success.
Retail Sales	We are budgeting Retail Sales fairly flat. “In-store” sales continue to decline, but that decline is offset by the upward trend of eCommerce sales. The eCommerce sale revenue comes to us from merchandise sales processed by GSUSA for consumers in our regions.
Program Services	There will be a small increase in the fee for council-sponsored summer day and resident camps, plus some additional one-day summer events. There are also slight increases in some of the year-round program events.
Investment Income	Investment income is based on the income from the most recent 12 months. The long-term investment base was reduced in recent years by \$1,000,000 to contribute funds for the renovation of three of our offices.
Miscellaneous Income	Budgeted Miscellaneous Income consists primarily of discounts on merchandise purchases.
EXPENSES	
Salaries	An average 3% increase has been budgeted for eligible staff. There are several minor changes to the organizational chart and as we have historically, the budget reflects a “full house”.

Benefits	This line item includes, medical and dental insurance, life and disability insurance, employer 403(b) contributions, and employee wellness incentives. In 2019-2020 we will begin to “self-fund” the medical and dental programs. This decision was made based upon multiple years of excellent medical insurance ratio of costs to premium costs and is projected to result in medical cost savings. Most benefit lines will be consolidated with one vendor, resulting in reduced costs and administrative time saved. We are currently working with an advisor to evaluate proposals from 403(b) plan administrators to evaluate the current plan as compared to other options to provide the best product to our staff.
Payroll Taxes	The Worker’s Compensation period 2018-2019 had a significant increase in our premium percentage. The 2019-2020 period has had a significant decrease. We anticipate a refund for the 2018-2019 year.
Professional Services	Professional services include a number of more detailed line items – legal fees, professional consultants for program activities, computer/technical consultants, evaluation services, etc. Half of the increase in this line item reflects the cost of enhancements in our cyber security, including training for staff. Another significant portion of the increase will be offset by savings on our Benefits line – benefit provider administrative fees which had been “hidden” in the cost of benefits will be billed directly by our benefit brokers, resulting in an overall cost savings.
Supplies	This is another summary account and includes a number of lines – office supplies, computer supplies, program supplies, janitorial supplies, tokens of appreciation, and others. Much of the increase reflects expansion of programs such as Cybersecurity Day, Community Day Camps, Bronze/Silver Award Recognition Ceremonies, Entrepreneurship events, and others.
Communication	The communications budget has been increased to better reflect the actual cost of voice and data communications over the past 12 months.
Postage & shipping	This decrease reflects our continued efforts to more efficiently communicate with our communities.
Occupancy	Components of "occupancy" are the costs of utilities, contracted maintenance such as snow removal, HVAC maintenance, pest control and janitorial supplies. This category also includes the lease or rental of “space”. Historically, rental/lease would have been primarily for events or meetings. With the pending sale of the Toledo Office, we will be moving into a leased office area - this increase reflects that lease cost.
Equipment, Repairs & Maintenance	We contracted with a new provider and upgraded copiers in all offices to high capacity color machines. This contract also included new software to replace our antiquated production software. This software manages all production jobs and enables staff to do one stop shopping for all production needs. These upgrades increased the overall cost of the lease and we will realize savings in improved efficiency and reduced staff time.
Travel & Vehicle Expenses	This line item includes staff mileage, vehicle repairs, fuel for council vehicles, vehicle leasing. In January of 2019, we adopted the IRS rate of \$.58 per mile – our previous reimbursement rate had been \$.445 per mile. In 2019, we had not budgeted to make the increase to the IRS suggested rate. The expense for vehicle lease has been increased for safety reason -- we will no longer rent 12 passenger vans for camp resulting in the need for more vehicles and an additional bus will be required in the summer of 2020 for day camp transportation.
Staff Development	In the 2019-2020 budget year, we will be providing additional internal staff training in areas, including Diversity and Inclusion.

Financial Assistance	Financial assistance for 2020 summer programs has been increased by \$13,000 to offset the fee increases in these programs for our outreach communities. The financial assistance for membership has increased in anticipation of additional girls in our outreach communities and in troops needing funding.
Insurance	The 10% increase in the cost of insurance is not a reflection of the cost of nor the number of claims the council has had this past year, although we have had several. This is a reflection of the number of claims across the country due to floods, tornados, etc. This budget is developed with the assistance of our insurance agent.
Miscellaneous Expense	Miscellaneous expense includes the costs for recruitment, background checks for staff and volunteers, bank fees, credit card charges, bad debt, licensing fees, and various membership fees. We have changed our banking partners and our banking structure which resulted in lower banking costs. We will also be changing our process for collection of troop payments in the 2020 Cookie Sale, which will contribute to additional savings in banking fees.

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