



BOARD RESOLUTION FY2025 FINANCIAL BUDGET

At the Thursday, September 26, 2024, meeting of Board of Directors of the Society of St. Vincent De Paul Archdiocesan Council of St. Louis the following Resolution was proposed and approved.

WHEREAS, the attached Council FY2025 budget document reflects an annual net revenue of \$2,802 based on:

- This budget is presented in an income statement format and uses accounting ledger codes for each revenue and expense line item
- Reflects the recent restructuring and a welcome, positive impact on liquidity.
- We are increasing the Development goal from \$2.5 million to \$2.9 million.
- Assumes modest growth in thrift store gross income
- Revision of the accounting treatment of donated goods to the poor--recognizing the \$500,000 value of donated items given to the poor as store revenue with \$500,000 recognized as a Program expense, and an associated (estimated) \$125,000 as the Cost of Goods Sold (COGS)
- Provision of \$920,000 to Conferences to provide for the poor, including merchandise vouchers for \$500,000 in donated goods, \$110,000 in beds, and \$310,000 in cash grant/assistance
- The assumption of a fully staffed accounting department of six people and includes modest expense for continued consulting services to complete personnel turnover and provide other services
- A modest pay raise for employees, the first in almost two years.
- Continued employee health insurance benefit split of 69% SVdP and 31% employee and no change in 401k matching of 6%
- Given the recent decision to sell the Cool Valley property, the budget reflects minimal planned Capital Expenditure (CAPEX) to maintain the asset

WHEREAS, this budget was reviewed and recommended by the Finance Committee on September 18, 2024,

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Society of St. Vincent de Paul hereby approves the FY2025 Financial Budget. Refer to the attached budget.

David M. Jaffe

Board Secretary

September 24, 2024

Date

Departmental Highlights for the FY2025 Budget

1. Overview:

- This is a bottom-up budget that reflects the restructuring in July and very close scrutiny of all expenses. Each Department Director was involved in its development.
- The recent restructuring and reduction in expenses is having a positive impact on liquidity. We are, however, requesting authority to draw up to \$350,000 from BDF to support operations through October and possibly into November (depending on timing of giving season donation collections). As you may recall, in July we requested \$500,000 from BDF but only \$250,000 was approved at the that time—with the agreement to request additional support should it be needed. The July authorization provided support well beyond our anticipated need in August—it has carried the organization into September.
- This budget includes the use of a percentage of bequests received in FY24 to fund a portion of Vincentian Services and client services in FY25.
 - In FY24, we received \$1,730,689.83 in bequests. Per the Board Designated Funds policy, we can utilize the funds in FY25, which are allocated as follows:
 - 25% to Vincentian Services (\$432,672.25),
 - 25% to District Special Projects (\$432,672.25),
 - 25% to Strategic Plan initiatives (\$432,672.25),
 - 20% to Operating Reserves (\$346,137.80),
 - 5% to Disaster Relief (\$86,534.45)
 - This budget proposes using \$743,750 of the \$1,730,689.83 (43%), which includes the all the funds allocated to Vincentian Services (\$432,672.25) and \$311,077.75 of the \$346,137.80 allocated to Operating Reserves.
 - The rationale for using BDF funding is that the expense will be in direct support of Conferences and Neighbors in Need. The \$743,750 will help fund \$110,000 in bed vouchers, \$500,000 in donated goods vouchers, \$300,000 in Conferences grants, subsidize \$50,000 of Serware expenses.
 - For accounting visibility and in keeping with GAAP standards, \$743,750 appears in two places in the budget, in the Income section (line #40530, “Released from Board Designation”), and in the Other Income/Expense section (line #69230, “Release Board Designated Net Assets to Unrestricted”).

Manpower head-count summary:

	Oct 01, 2023	Sep 18, 2024
Council Office staff full-time exempt salaried	14	11
Council Office staff full-time hourly	3	3
Stores full-time exempt salaried	27	23
Stores full-time hourly	28	19
Stores part-time hourly	178	140
Total Headcount	250	196

- Head-count notes:
 - On Oct 1, 2023, Accounting Dept was undermanned with just 1 exempt employee, 0 non-exempt employees, and 2 temporary staff. Our current authorized manpower is 6 and we have filled 4 of 6 positions. We are interviewing to fill the last two positions (Revenue Accountant and Controller).
 - As a result of restructuring in July 2024, we processed 54 employee separations that included 29 full-time employees, mostly from the closure of Cool Valley.
 - Over the past year, Council office head-count has decreased in Admin, Marketing, and Vincentian Services Departments, and increased in Accounting Dept, resulting in a net decrease of one in authorized head-count.

2. Development Department: We are increasing the Development goal from \$2.5 million to \$2.9 million.

3. Stores Department:

- We have set the store revenue goal (cash basis) at \$32,600/day or nearly \$11.5 million/year. Voucher merchandise sales of \$610,000 and wholesale (recycling) sales of just over \$300,000 push total earned income to about \$12.4 million.
- We continue to implement methods to increase store revenue.
 - Retail product mix and space conversion: Mary and the Stores Team have taken significant steps over the past two weeks to analyze and reconfigure the Creve Coeur store, swapping a significant percentage of floor space allocated from furniture to clothing. Analysis indicates that if we increase the clothing footprint by 50%, we will lower furniture revenue, and increase clothing revenue, resulting in a net revenue increase of \$400 per day. The additional clothing was moved to the store today this week.
 - Although every store is different, we have developed a model to analyze the mix of products on the floor. We plan to duplicate what we are doing in Creve Coeur to other stores.
 - Depending on results of the product mix conversion, we will assess the return on SVdP's furniture pick-up services. There may be an opportunity to reduce the cost of this service. In the near-term, we plan to continue to accept furniture donations at stores, and plan to always provide furniture for those in need.
- Trucking update: We have negotiated with Hogan (truck lessor) the early termination of the lease on one large truck, decreasing expenses by approximately \$1,600/mo. The truck will be returned to Hogan on 9/27. We are looking at ways to further decrease trucking expenses.
- Christy update: "By the pound" sales at the Christy Thrift Outlet is proving successful. We have some data that indicates more price elasticity (sales vary with change in price) than previously thought. If so, we may be able to periodically lower prices, sell more

product at retail, and thus sell less product “sideways” to recycling companies at low wholesale prices. Next step is to collect more data.

- Labor costs are being further assessed and have identified one position for near-term elimination.
- E-commerce update: We have shifted e-commerce manpower to processing in order to support the retail product mix conversion because we have need for more clothing inventory.

4. Human Resources Department:

- We have included a 4% wage pool in the budget, including a 2% across the board wage increase—the first in two years! The other 2% will be used as a wage pool at management’s discretion.
- We have maintained employee benefits in the budget and anticipate minor cost increases when benefit programs are renewed in April 2025.
- We made great strides in hiring 4 of 6 employees for the Accounting Department. We are still seeking to fill the Controller and Revenue Accountant positions.

5. Finance Department:

- The Team from BlueSummit has done great work to get our financials close to current. They have essentially accounted for nearly three years of business activity in the last ten months.
- We must balance the urgent need for financial statements with the need for BlueSummit staff to onboard/train new accounting employees. Financial statements are our priority in the near-term, but new hires must be oriented, assigned tasks, and supervised.

6. Marketing Department:

- Following the restructuring and elimination of 1 of 2 positions, we continue to seek ways to support SVdP, Development and Stores to help increase visibility, donations and store revenue.

7. Vincentian Services Department:

- Over the past 18 months, the Vincentian Services staff has declined by 50%—the result of attrition and layoffs.
- This budget reflects \$110,000 in bed vouchers and \$500,000 in donated goods vouchers to be provided to Districts for their Conferences. There will be no delivery vouchers in FY25.
- In the past, most financial support to Conferences came in the form of case-by-case support involving the Council Request process. That process was expensive for the Council and time-consuming for Conferences who made multiple requests. For FY25, a grants model is proposed. Eligible Conferences would have to demonstrate financial need above and beyond their own resources. The budget reflects \$300,000 for these grants to Conferences.
- In summary, client services spending totals nearly \$1 million in this budget.

Society of St. Vincent de Paul Archdiocesan Council of St. Louis

FY25 Budget Summary

Finance Committee

Presentation

September 18, 2024

Presented to Board for Adoption September 26, 2024

Budgeted P&L FY25	FY2025 BUDGET
	<u>TOTAL</u>
Operating Income/Expense	
<u>Income</u>	
40xxx · Contributions	
401xx · Contributions - Development	
40100 · General Donations	170,000
40105 · Major Donors (unrestricted)	1,870,000
40110 · Direct Mail	300,000
40130 · Grants/Foundation/Corporations	200,000
40160 · Memorial/Tributes	50,000
401xx · Contribs - Dev - Other (Round Up)	70,000
Total 401xx · Contributions - Development	2,660,000
405xx · Contributions - Programs	
40510 · Restricted Funds	210,000
40530 · Released from Board Designation	743,750
Total 405xx · Contributions - Programs	953,750
41xxx · Sales - Auto	
41200 · Auto Sales - Charitable Rides & Services	100,000
Total 41xxx · Sales - Auto	100,000
Total 40xxx · Contributions (before Requests)	3,713,750
40190 · Bequest	
Total 40xxx · Contributions (with Requests)	3,713,750
42xxx · Sales - Stores	
421xx · Sales	
42100 · Store Sales-Retail	9,784,777
42180 · Store Sales - Deliveries	30,000
4214x · Sales - Stores - Special Buys	
42140 · Store Sales - Special Buys	341,288
42145 · Store Sales - New Beds (cash customers)	1,306,935
Total 4214x · Sales - Stores - Special Buys & Beds	1,648,223
MEMO: Cash Retail Sales	11,463,000
42345 · Voucher Sales - New Beds	110,000
42350 · Voucher Sales - Donated Goods	500,000
TBD - Voucher / Employee Award Gift Cards	10,500
Total Voucher Sales	620,500
Total 421xx · Sales	12,083,500
42190 · Store Sales - Recycling	313,157
Total 42xxx · Sales - Stores	12,396,657
48xxx · Other Income	
48100 · Conference Dues	85,000
Total 48xxx · Other Income	85,000
Total Income	16,195,407
Cost of Goods Sold	
49xxx · Cost of Goods	
49100 · COGS - Special Buys	224,234
49110 · COGS - New Beds Purchased	921,008
49120 · COGS cost of voucher sales	125,000
49130 · COGS - Recycling	31,197
Total 49xxx · Cost of Goods	1,301,439
Total COGS	1,301,439
Gross Profit	14,893,968

Society of St. Vincent de Paul Archdiocesan Council of St. Louis
FY25 Budget Summary

Finance Committee
Presentation
September 18, 2024
Presented to Board for Adoption September 26, 2024

Budgeted P&L FY25	FY2025 BUDGET
<u>Expense</u>	<u>TOTAL</u>
51xxx · Personnel	
511xx · Payroll	
51100 · Salaries - Regular	6,051,833
51105 · Salaries - Overtime	13,520
<i>Total 511xx · Payroll</i>	<u>6,065,353</u>
512xx · Payroll Taxes	
51200 · Payroll Tax	463,999
<i>Total 512xx · Payroll Taxes</i>	<u>463,999</u>
515xx · Benefits	
51510 · Employee Health Insurance Benefits	1,068,000
51515 · Employee Short Term Disability Insurance Benefits	72,000
51517 · Delta Dental and Vision	75,600
51520 · Retirement/401K	180,000
51525 · Worker's Comp Insurance	292,300
51550 · Background & Drug Tests	4,000
51560 · Employee Training (incl banquet	8,000
51575 · Emp/Volunteer Other Benefits	37,950
<i>Total 515xx · Benefits</i>	<u>1,737,850</u>
51620 · Contract Labor Professional	303,000
<i>Total 51xxx · Personnel</i>	<u>8,570,202</u>
52xxx · Occupancy	
52100 · Rent	1,978,200
52200 · Utilities	310,407
52210 · Telephone	22,600
52220 · Trash	205,439
52230 · Security	57,060
52290 · Insurance	212,000
523xx · Building Maintenance & Repairs	
52310 · Building Maintenance - Routine	41,058
52325 · Building Repair/Services	97,560
52350 · Building Supplies	1,441
<i>Total 523xx · Building Maintenance & Repairs</i>	<u>140,059</u>
524xx · Janitorial	
52410 · Cleaning Services	6,145
52450 · Janitorial Supplies	1,134
<i>Total 524xx · Janitorial</i>	<u>7,279</u>
<i>Total 52xxx · Occupancy</i>	<u>2,933,044</u>
54xxx · Marketing	
54100 · Broadcast	170,000
54105 · Digital	40,000
54110 · Printing & Public	48,000
54115 · photography and videography	2,000
54300 · Direct Mail	23,000
54305 · Outdoor/billboards	75,000
54400 · Website/Social Media/Onsite media	18,000
54900 · Donor Relations	14,000
<i>Total 54xxx · Marketing</i>	<u>390,000</u>
55xxx · Client Services	
551xx · Conference Programs	
55110 · District Council Assistance	300,000
55131 · Household Repairs & Other	10,000
<i>Total 551xx · Conference Programs</i>	<u>310,000</u>
557xx · Stores - Program	
55745 · Client Assistance - New Beds	110,000
55750 · Client Assistance - Donated Good	500,000
<i>Total 557xx · Stores - Program</i>	<u>610,000</u>
<i>Total 55xxx · Client Services</i>	<u>920,000</u>

Society of St. Vincent de Paul Archdiocesan Council of St. Louis
FY25 Budget Summary

Finance Committee
Presentation
September 18, 2024
Presented to Board for Adoption September 26, 2024

Budgeted P&L FY25	FY2025 BUDGET
	TOTAL
56xxx · Other Operating Expenses	
561xx · Store & Truck Expenses	
5611x · Store Expenses	
56110 · Store Supplies	69,267
56120 · Truck & Donation Supplies	6,025
56125 · Recycling Equipment & Supplies	4,125
56130 · Uniforms	9,775
56135 · Safety & First Aid Supplies	5,335
Total 5611x · Store Expenses	94,527
5615x · Truck Expenses	
56150 · Truck Expenses-Lease/Rental	132,650
56155 · Truck Expenses-Repairs/Maint	35,417
56160 · Truck Expenses-Fuel	50,000
56190 · truck damage claims	20,461
Total 5615x · Truck Expenses	238,528
Total 561xx · Store & Truck Expenses	333,055
562xx · VS Program Expenses	
56220 · Printing & Publications	2,645
Total 562xx · VS Program Expenses	2,645
563xx · Outside Services	
56300 · Outside Services	10,600
56310 · Audit Fees	50,000
56320 · Attorney Fees	80,000
56330 · Religious Support	3,824
56340 · IT Support & Accessories	95,076
56345 · IT Support - Other	206,021
56355 · HR Support Services	600
563xx · Outside Services - Other	3,758
Total 563xx · Outside Services	449,879
565xx · Supplies	
56510 · Office Supplies	18,660
56515 · Computer Hardware	4,400
56516 · Computer Software	18,285
56520 · Printing & Publications	88,967
56530 · Office Maintenance	85
56535 · Office equip	4,368
56537 · Other dues and subscriptions	6,958
56540 · Postage	5,100
Total 565xx · Supplies	146,823
566xx · Meetings & Travel	
56610 · Local Transportation	8,300
56630 · Meeting Expense	21,650
56660 · Travel Expense	10,350
566xx · Meetings & Travel - Other	7,500
Total 566xx · Meetings & Travel	47,800
567xx · Bank Fees	
56710 · Bank Charges	82,817
56720 · Credit Card Fees	241,000
Total 567xx · Bank Fees	323,817
568xx · Bad Debt	
56890 · Bad Debt Expense	3,000
Total 568xx · Bad Debt	3,000
569xx · Miscellaneous	
56910 · Organization Dues	64,297
56920 · Taxes and Licenses	2,382
Total 569xx · Miscellaneous	66,679
Total 56xxx · Other Operating Expenses	1,361,970

Society of St. Vincent de Paul Archdiocesan Council of St. Louis
FY25 Budget Summary

Finance Committee
Presentation
September 18, 2024
Presented to Board for Adoption September 26, 2024

Budgeted P&L FY25	FY2025 BUDGET
	TOTAL
58xxx · Adjustments	
TBD - reclass Op Exp for WIP to COGS	(125,000)
58100 · Depreciation	64,000
<i>Total 58xxx · Adjustments</i>	<i>(61,000)</i>
Total Expense	14,178,216
Net Operating Income	715,752
 <u>Other Income/Expense</u>	
Other Income	
60xxx · Investment Income	
60310 · Investment Income	50,000
60910 · Professional Investment Fees	(19,200)
<i>Total 60xxx · Investment Income</i>	<i>30,800</i>
60xxx · Donor Restricted & Board Designated	
692xx · Board Designated Funds Activity	
69230 · Release Bd Designated Net Assets to Unrestricted	(743,750)
<i>Total 692xx · Donor Restricted Funds Activity</i>	<i>(743,750)</i>
<i>Total Other Income</i>	<i>(712,950)</i>
Net Other Income	(712,950)
Net Income	2,802