

VNPS Potowmack Chapter Budget Advisory Committee Recommendations

March 31, 2022

Background

The VNPS Potowmack Chapter Budget Advisory Committee was formed at the meeting of the Potowmack Chapter Board on January 6, 2022. Members of the committee include Laura Beaty, Margaret Chatham, Joan Gottlieb, Scott Knudsen, Gale Minnich-Blewis, and Mark Murphy.

The Board directed the committee to research, review, and make recommendations in the following areas:

- How to allocate, manage, and invest the current cash on hand not allocated for FY22 budgeted expenses, the Plant Nova Natives “holding” fund, or other planned expenses (Unallocated Cash).
- Expenditures needed in current and future budget years for the Green Spring propagation beds.
- Changes and additions needed in budget areas and line items for the upcoming FY23 Chapter Budget.

The committee met via Zoom on January 18 and March 28, 2022. There were also several discussions via email on Groups.io.

Financial Status

Scott Knudsen, Chapter Treasurer, provided detailed financial reports for the Potowmack Chapter over the past several years. These are included in an Appendix.

The committee’s recommendations are based on an estimated Unallocated Cash balance of \$36,694.

We also assume that FY22 actual income and expenses will not significantly differ from the FY22 budget.

Cash on Hand (as of 12/31/2021)	\$69,348
Cash Reserved for PNN (as of 3/31/2022)	-\$13,054
FY22 Budget Operating Expenses	-\$19,600
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Unallocated Cash	\$36,694

Recommendations

1. From Unallocated Cash, establish an Operating Reserve Fund equal to one (1) year of operating expenses. This fund is intended to be used as a “rainy-day” fund set aside to stabilize the chapter’s finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses. The balance in this fund should be managed by the Board so as not to fall below or exceed the recommended balance by more than 25%

We suggest one year of operating expense be calculated as the average of operating expense over the last five (5) years, rounded up. We suggest excluding FY21, since FY21 expenses were much lower than average.

We recommend the Board establish a policy to maintain an Operating Reserve Fund balance of \$20,000 starting in FY22.

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2. From Unallocated Cash, add funds to the FY23 Budget for one additional internship (\$3,000) and two (2) to three (3) new scholarships (\$6,000), for a total of \$9,000. The Board may decide to continue funding for these areas after FY23.
3. From Unallocated Cash, spend up to \$3,000 in 2022 at the Green Springs Propagation Beds for needed improvements, maintenance, equipment, materials, labor, etc. This would be considered a one-time expense.
4. From Unallocated Cash, add \$1,000 to the FY23 Budget for regular maintenance and improvements at the Green Spring Propagation Beds. Add a recurring line item for this expense in FY23 and future budgets.
5. Establish a separate “holding” bank account for all income and expenses for Plant Nova Natives. All PNN income and expenses should be tracked in separate accounts from the Potowmack Chapter in QuickBooks. Implementation Timeline: FY23
6. Any funds remaining in the Unallocated Cash Balance after implementing these recommendations should be allocated at the Board’s discretion.

Summary

The number in the first column of the table refers to the corresponding recommendation above.

#	Unallocated Cash	\$69,348	12/31/2021
	Cash Reserved for PNN	-\$13,054	3/31/2022
	2022 Operating Expense	-\$20,000	FY22
1	Operating Reserve	-\$20,000	FY22
2	Add Internship	-\$3,000	FY23
2	Add Scholarships	-\$6,000	FY23
3	Prop Beds Improvements	-\$3,000	FY22
4	Prop Beds Maintenance	-\$1,000	FY23
Unallocated Cash Balance		\$3,294	

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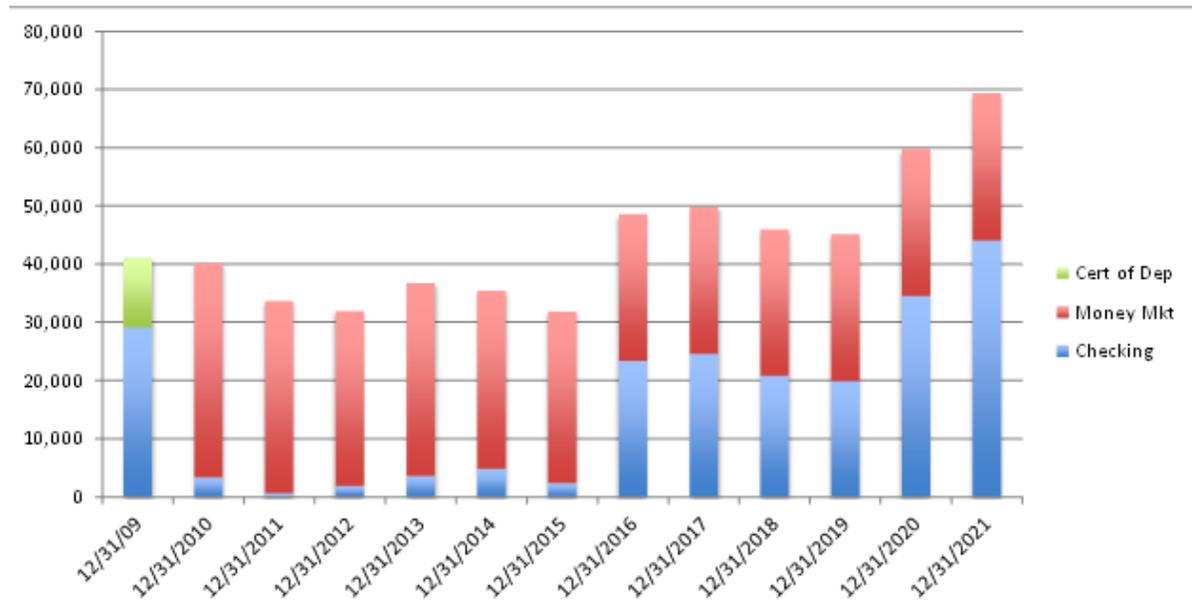
Appendix

POTOWMACK CHAPTER CASH RESERVES OVER TIME

From Statement of Financial Position reports

1/18/2022

Date	Checking	Money Mkt	Cert of Dep	Total Cash
12/31/09	29,138	0	12,015	41,153
12/31/2010	3,384	36,778	0	40,162
12/31/2011	689	32,933	0	33,622
12/31/2012	1,925	29,994	0	31,919
12/31/2013	3,681	33,041	0	36,722
12/31/2014	4,870	30,586	0	35,456
12/31/2015	2,441	29,424	0	31,865
12/31/2016	23,369	25,197	0	48,567
12/31/2017	24,616	25,207	0	49,823
12/31/2018	20,800	25,215	0	46,016
12/31/2019	19,934	25,221	0	45,155
12/31/2020	34,581	25,224	0	59,805
12/31/2021	44,122	25,226	0	69,348



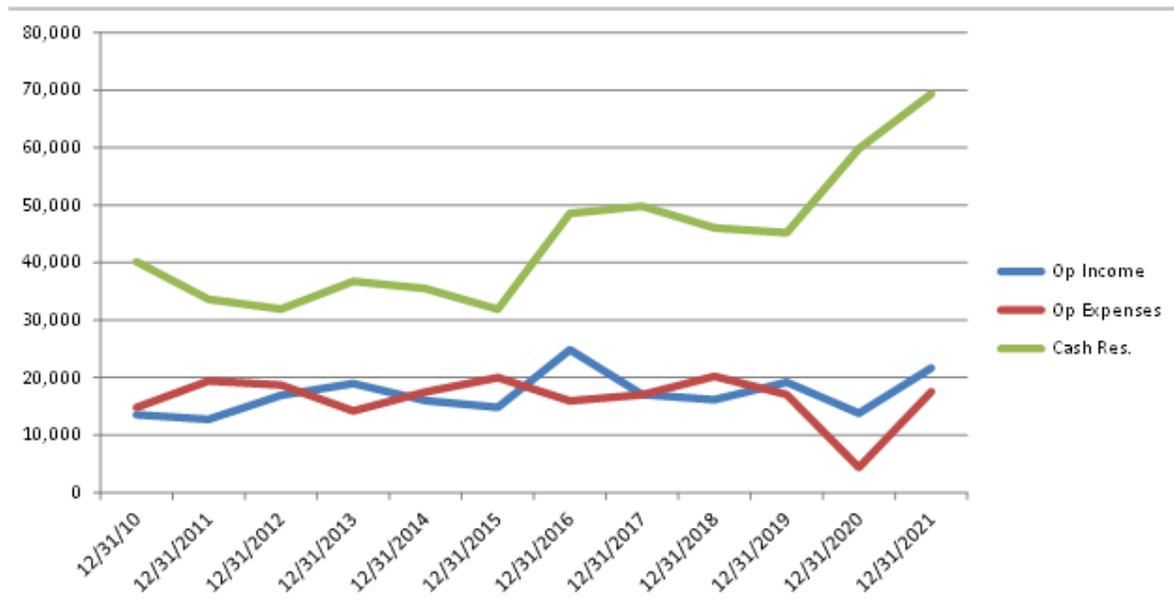
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ANNUAL OPERATING INCOME & EXPENSES VS. YEAR-END CASH OVER TIME

From Cash Reserves sheet and Statement of Financial Activity reports
1/18/2022

Date	Op Income	Op Expenses	Cash Res.
12/31/10	13,549	14,803	40,162
12/31/2011	12,727	19,422	33,622
12/31/2012	16,922	18,685	31,919
12/31/2013	18,972	14,216	36,722
12/31/2014	15,973	17,514	35,456
12/31/2015	14,812	20,004	31,865
12/31/2016	24,822	15,940	48,567
12/31/2017	17,039	16,999	49,823
12/31/2018	16,188	20,236	46,016
12/31/2019	19,214	17,047	45,155
12/31/2020	13,789	4,397	59,805
12/31/2021	21,702	17,548	69,348



NOTES:

1. \$10K donation from Cox campaign received in 2016 makes income rise artificially high for that one year.
2. Lack of \$6.7K in internships and other expenses in 2020 makes expenses artificially low for that one year.
3. The graphs above of annual income and expenses exclude PNN campaign annual income and expenses.

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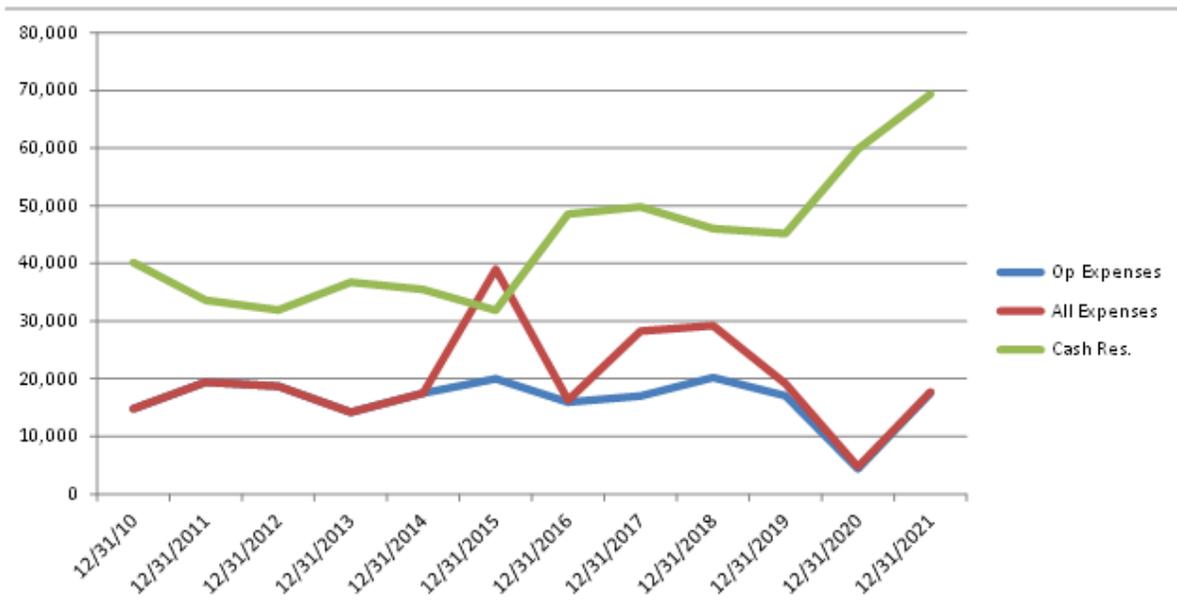
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ANNUAL OPERATING EXPENSES & ALL EXPENSES VS. YEAR-END CASH OVER TIME

From Cash Reserves sheet and Statement of Financial Activity reports

1/18/2022

Date	Op Expenses	All Expenses	Cash Res.
12/31/10	14,803	14,803	40,162
12/31/2011	19,422	19,422	33,622
12/31/2012	18,685	18,685	31,919
12/31/2013	14,216	14,216	36,722
12/31/2014	17,514	17,514	35,456
12/31/2015	20,004	39,000	31,865
12/31/2016	15,940	16,283	48,567
12/31/2017	16,999	28,271	49,823
12/31/2018	20,236	29,222	46,016
12/31/2019	17,047	19,166	45,155
12/31/2020	4,397	4,716	59,805
12/31/2021	17,548	17,716	69,348



NOTES:

1. Blue line for "Op[erating] Expenses" excludes annual expenses from PNN campaign.
2. Red line for "All Expenses" includes annual expenses from PNN campaign.
3. First two printings of PNN guides in 2015. Third printing of guides in 2017. Fourth printing in 2018.