

Rhode Island Community Food Bank - FY24 Draft Dated 5/23/23

	Budget FY24	Use of Surplus Funds	Budget Before Surplus	Projected FY23	Actual FY22	Actual FY21	Actual FY20	Actual FY19	Actual FY18	Notes
Surplus Carryover	\$8,000,000	\$8,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Surplus Funds: These are the remaining funds raised during the pandemic. The FY24 budget utilizes \$4.4M and \$3.6M will carry over to FY25.
Annual Investment Draw	\$0	\$0	\$0	\$0	\$0	\$0	\$171,000	\$0	\$0	
Total Surplus and Investment Draw	\$8,000,000	\$8,000,000	\$0	\$0	\$0	\$0	\$171,000	\$0	\$0	
Government Funds										
Government - Grants (State & Local)	\$450,000	\$0	\$450,000	\$457,524	\$408,700	\$245,000	\$214,950	\$219,370	\$204,187	
Government - (Federal)	\$580,000	\$0	\$580,000	\$1,344,393	\$892,429	\$1,561,358	\$674,302	\$465,172	\$127,290	Government (Federal): In FY23, there was extra federal funding of \$500,000 for trucks for member agencies and \$342,000 for food from the Emergency Food & Shelter Board. We do not anticipate any similar funding in FY24. The only federal funding in FY24 is for the TEAP (\$400,000) & CSFP (\$180,000) programs.
Total Government Funds	\$1,030,000	\$0	\$1,030,000	\$1,801,917	\$1,291,129	\$1,806,358	\$889,252	\$684,542	\$331,477	
Public Support										
Direct Mail Contributions	\$2,400,000	\$0	\$2,400,000	\$2,378,388	\$2,505,448	\$3,083,980	\$2,164,878	\$1,523,187	\$1,675,341	
Individual Contribution (non-direct mail)	\$4,700,000	\$0	\$4,700,000	\$4,937,026	\$5,007,300	\$6,468,401	\$5,029,690	\$2,083,917	\$1,869,415	
Bequests - current year used for operating	\$200,000	\$0	\$200,000	\$184,905	\$364,565	\$86,179	\$25,000	\$323,671	\$214,688	
United Way/CFC	\$70,000	\$0	\$70,000	\$69,158	\$92,127	\$74,305	\$70,334	\$88,799	\$85,389	
Total Individual	\$7,370,000	\$0	\$7,370,000	\$7,569,477	\$7,969,440	\$9,712,865	\$7,289,902	\$4,019,574	\$3,845,833	
Grants - Organizations	\$2,000,000	\$0	\$2,000,000	\$2,152,072	\$2,189,031	\$2,573,022	\$2,551,291	\$1,771,136	\$2,196,572	
Contributions - Organizations	\$1,775,000	\$0	\$1,775,000	\$2,040,378	\$1,831,313	\$3,209,816	\$2,905,366	\$1,085,828	\$1,065,620	
Special Events (net of expenses)	\$200,000	\$0	\$200,000	\$200,000	\$201,072	\$578	\$128,220	\$300,558	\$451,226	
Total Public Support	\$11,345,000	\$0	\$11,345,000	\$11,961,927	\$12,190,856	\$15,496,281	\$12,874,779	\$7,177,096	\$7,559,251	Public Support: In FY23, there were several large one-time gifts that we do not expect to repeat in FY24, which is why public support is projected to decrease.
Total Gov't Funds and Public Support	\$12,375,000	\$0	\$12,375,000	\$13,763,844	\$13,481,985	\$17,302,639	\$13,764,031	\$7,861,638	\$7,890,728	
Revenue										
Shared Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$227,632	\$219,887	\$319,365	
COOP (net of expenses)	\$0	\$0	\$0	\$0	(\$9,323)	\$26,080	(\$97,948)	(\$392)	(\$252)	
Parking Lot Lease Net Revenue	\$130,000	\$0	\$130,000	\$180,000	\$180,000	\$180,000	\$112,333	\$0	\$0	
Other Income (includes Discounts/Rebates)	\$60,000	\$0	\$60,000	\$99,477	\$4,881	\$16,314	\$34,997	\$29,877	\$17,245	
Total Revenue	\$190,000	\$0	\$190,000	\$279,477	\$175,558	\$242,394	\$277,014	\$249,372	\$336,358	
Total Investment Draw, Gov't, Public Support & Revenue	\$20,565,000	\$8,000,000	\$12,565,000	\$14,043,321	\$15,657,543	\$17,545,033	\$14,212,045	\$8,111,010	\$8,227,086	
Expenses										
Salaries & Benefits										
Salaries (includes overtime)	\$4,797,562	\$0	\$4,797,562	\$4,462,604	\$3,933,739	\$3,487,228	\$3,699,541	\$3,308,740	\$3,081,995	
Payroll Taxes	\$374,210	\$0	\$374,210	\$350,429	\$328,260	\$262,610	\$285,161	\$264,041	\$245,530	
Benefits	\$958,653	\$0	\$958,653	\$733,852	\$654,689	\$559,073	\$712,613	\$605,789	\$558,881	
Total Salaries & Benefits	\$6,130,425	\$0	\$6,130,425	\$5,546,885	\$4,916,688	\$4,308,911	\$4,702,315	\$4,179,570	\$3,886,406	
Program and Administration										
Advertising & Promotion	\$148,450	\$0	\$148,450	\$86,046	\$36,689	\$26,887	\$22,356	\$91,773	\$37,800	
Bank and Payroll Processing Fees	\$108,500	\$0	\$108,500	\$100,627	\$134,339	\$188,051	\$143,109	\$85,450	\$68,497	
Consultants (IT, Janitorial, Security & Other)	\$299,018	\$0	\$299,018	\$384,640	\$249,823	\$152,162	\$173,186	\$221,370	\$180,151	Advertising & Promotion: Increase is mostly due to online fund raising proposed by the new direct mail firm.
Direct Mail	\$550,000	\$0	\$550,000	\$556,608	\$487,001	\$425,540	\$397,815	\$348,904	\$334,037	
Dues & Subscriptions	\$70,972	\$0	\$70,972	\$65,553	\$62,760	\$49,317	\$46,231	\$45,730	\$42,298	
Equipment & Maintenance	\$338,451	\$0	\$338,451	\$285,296	\$303,066	\$251,389	\$234,018	\$194,605	\$192,855	
Food Acquisition (includes Freight & VAP)	\$7,800,000	\$4,250,000	\$3,550,000	\$7,648,055	\$6,198,862	\$4,118,736	\$1,828,020	\$1,475,367	\$1,992,563	
Food Purchases (Kids Café & Healthy Habits)	\$182,000	\$0	\$182,000	\$154,499	\$99,817	\$53,754	\$42,265	\$45,356	\$57,820	
Innovative Programs & Agency Supports	\$400,000	\$200,000	\$200,000	\$1,318,846	\$975,555	\$718,088	\$487,456	\$374,433	\$417,182	Innovation Programs & Agency Supports: The decrease from prior year: *In FY23 we had \$500,000 federal grant to purchase trucks for member agencies. This grant will not repeat in the FY24. *As we spend down the surplus funds, we are slowly reducing agency support back to pre-pandemic levels.
Insurance	\$64,420	\$0	\$64,420	\$63,112	\$52,980	\$50,220	\$39,742	\$36,040	\$45,935	
Meetings/Conferences/Training/Travel	\$132,800	\$50,000	\$82,800	\$45,674	\$16,594	\$13,590	\$28,504	\$39,257	\$47,921	
Mileage & Tolls	\$22,850	\$0	\$22,850	\$15,570	\$7,969	\$2,097	\$9,034	\$10,488	\$11,614	
Miscellaneous	\$9,100	\$0	\$9,100	\$17,371	\$7,045	\$4,969	\$5,299	\$4,127	\$3,358	
Postage	\$35,040	\$0	\$35,040	\$35,485	\$33,061	\$29,729	\$36,300	\$26,648	\$28,878	
Printing & Publications	\$67,450	\$0	\$67,450	\$67,863	\$52,298	\$45,853	\$35,542	\$76,679	\$30,267	
Professional Fees	\$84,000	\$0	\$84,000	\$95,150	\$67,873	\$66,304	\$71,390	\$61,938	\$50,117	
Student Expenses	\$0	\$0	\$0	\$0	\$0	\$21,779	\$43,902	\$85,973	\$30,402	Meetings/Conferences/Training/Travel: *The increase on this line is to meet the goals of the strategic plan to expand opportunities and professional growth through training & career development and prioritize employee wellness.
Supplies	\$209,751	\$0	\$209,751	\$203,934	\$168,075	\$126,091	\$155,864	\$151,704	\$208,851	
Telephone	\$16,430	\$0	\$16,430	\$15,670	\$15,414	\$15,451	\$19,267	\$18,549	\$18,014	
Temporary Personnel	\$0	\$0	\$0	\$79,949	\$129,758	\$170,849	\$37,679	\$53,737	\$8,712	
Transportation	\$134,887	\$0	\$134,887	\$123,574	\$114,464	\$94,808	\$96,948	\$95,244	\$103,451	
Trash Removal	\$27,000	\$0	\$27,000	\$28,853	\$27,641	\$24,564	\$30,141	\$31,332	\$24,117	
Utilities	\$152,150	\$0	\$152,150	\$131,897	\$142,661	\$147,980	\$145,606	\$132,996	\$135,209	
Volunteer Expense	\$500	\$0	\$500	\$857	\$96	\$0	\$4,541	\$5,579	\$6,199	
Total Program & Administration	\$10,853,769	\$4,500,000	\$6,353,769	\$11,525,129	\$9,367,641	\$6,798,208	\$4,324,225	\$3,643,229	\$4,076,248	Grants for Capital Expenditures: 1) Fred Roddy - \$44,000 2) Champlin Foundation - \$257,000 Total - \$301,000
Total Expenses	\$16,984,194	\$4,500,000	\$12,484,194	\$17,072,014	\$14,284,329	\$11,107,119	\$8,826,540	\$7,822,799	\$7,962,654	
Surplus (Deficit) before Capital Expenditures	\$3,580,806	\$3,500,000	\$80,806	(\$3,028,693)	(\$626,786)	\$6,437,914	\$5,385,505	\$288,211	\$264,432	
Capital Grants & Expenditures										
Grants for Capital Exp.	\$301,000	\$0	\$301,000	\$94,000	\$300,000	\$249,285	\$209,223	\$302,770	\$94,000	
Cost of Capital Exp.	(\$356,000)	\$0	(\$356,000)	(\$400,000)	(\$478,423)	(\$319,443)	(\$312,322)	(\$313,319)	(\$94,928)	
Net PPE	(\$55,000)	\$0	(\$55,000)	(\$306,000)	(\$178,423)	(\$70,158)	(\$103,099)	(\$10,549)	(\$928)	
NET SURPLUS (DEFICIT) USING OPERATING FUNDS	\$3,525,806	\$3,500,000	\$25,806	(\$3,334,693)	(\$805,209)	\$6,367,756	\$5,282,406	\$277,662	\$263,504	

RI Community Food Bank

Budget Narrative

FY24

The Food Bank estimates it will end FY23 with a deficit of \$3M, which was funded with some of the \$11.2 million surplus carried over from prior years. The budget proposes using \$4.5M of the remaining \$8M in surplus funds in FY24 and will carry over \$3.5 million to FY25.

Overall Programmatic Goals for FY24:

- Distribute 16 million pounds of food.
- Pack and distribute 10,000 Kid Boxes and To-Go-Bags.
- Distribute an average of 320 meals per day at the Kids Cafe sites.
- Conduct 205 SNAP outreach visits.
- Provide grants to support member agencies.

Government Grants:

Government Grants – State:

The budget includes \$450,000 in funding from the State of Rhode Island for food acquisition, which is flat with FY23.

Government Grants – TEFAP/CSFP/Other Federal Funding:

The budget includes \$400,000 for TEFAP program administration and \$180,000 for the CSFP program administration. It is estimated that the Food Bank will acquire about 3 million pounds of food from the TEFAP program and 750,000 pounds from the CSFP program.

Public Support:

We are projecting approximately \$617,000 less in public support in FY24 than we are likely to receive in FY23. Overall, this is recognizing that we received more than \$500,000 in large, one-time gifts from foundations, corporations, and individuals related to the pandemic emergency that are not likely to be repeated.

Individual Giving:

Direct mail revenue is projected at \$2.4 million, just slightly ahead of the projected FY23 final revenue. As we implement a new mailing schedule and some new techniques with our new direct marketing partner, we hope to increase revenue through a combination of tactics: customized treatment for \$1,000--\$4,999 donors, renewing donors who have lapsed since the pandemic, and improved Impact Report communications.

Other individual giving is projected to come in at \$4,700,000, about \$235,000 less than estimated FY23 individual giving at year end. We anticipate some drop off in major gifts that were related to the pandemic emergency. However, as we are seeing huge increases in need right now, we plan to aggressively message this to donors to try to secure increases from some major donors to help us keep up with the need.

Bequests:

We increased projected revenue from bequests based on an average of the bequest revenue from the past three years.

Grants:

We are projecting grants revenue to be \$2 million for FY24, about \$150,000 less than estimated FY23 grants revenue. This is due to some one-time pandemic-related funding that is not likely to repeat. In addition, we anticipate that we will continue to see some falloff in corporate and foundation pandemic-related grant funding opportunities, and that some will renew at lower levels.

Organization Contributions:

We are projecting \$1,775,000 in gifts from organizations, about \$265,000 less than we expect to raise in FY23. Reasons are similar to other categories in that we anticipate a drop off in large, one-time pandemic related gifts.

Special Events:

We have budgeted \$200,000 for special events assuming we will do Truck Stop in June of 2024.

Expenses:**Salaries:**

The increase in salaries expense is due to the following:

- The proposed budget for FY24 includes a 4% salary increase for all staff in recognition of the current inflationary environment and the need to retain staff. The cost of the salary increase is approximately \$178,000. The plan for FY25 will be to return to the standard annual increase of 2.5%.
- Over the past year, there have been several vacant positions, that resulted in savings. As of the beginning of May, there were 4 budgeted positions vacant, 2 that we are working to fill and two that we have decided to eliminate, by moving duties to other positions. The number of positions in the budget has been reduced from 68.5 FTEs to 66.5 FTEs.

Benefits:

The increase in benefits include:

- Benefit costs for FY23 were under budget because of the several vacant positions. The majority of the increase from FY23 to FY24 is related to filling these vacant positions and the new employees taking advantage of the benefits package.
- The budget proposes increasing the match in the 401(k) from \$0.75 per dollar to a dollar-for-dollar match, up to 5% of pay. The estimated cost of this change is \$50,000.
- Health insurance is estimated to increase by 8%, based on a January 1 renewal.
- Dental insurance is estimated to increase by 6%, based on a January 1 renewal.
- Workers Compensation is estimated to increase by 10%, based on a January 1 renewal.

Advertising & Promotion:

The advertising and promotion budget is projected to increase by \$62,000, as the development team deploys the online advertising program recommended by the new direct mail consulting firm.

Consultants:

The budget for consulting expense decreased by approximately \$85,000, as in FY23 the Food Bank spent \$24,500 on the Community Needs Assessment and \$70,000 on the Food Assistance Study. Both these projects were one-year projects.

Consulting expenses in the FY24 budget include:

- Outside IT Consulting/PCI Compliance - \$110,000
- Janitorial services and parking lot security - \$70,000
- Translation services and intern stipends for various programs - \$26,000
- Video production for social media platforms - \$20,000
- Website maintenance - \$18,000
- Development Department Database Consultant - \$15,000
- Design consultant for newsletter, annual report, & photography - \$15,000
- HR consulting (annual salary survey and miscellaneous consulting) - \$8,000
- RI Legal Services (SNAP Outreach Program) - \$10,000.
- Lobbying Consultant - \$8,400.

Food Acquisition:

It is estimated that 16M pounds of food will be acquired at a total cost \$7.8M. The budget projections assume a 4% inflationary increase in food and transportation costs. The average cost of purchased product increased from \$1.01 to \$1.05 per pound.

Approximately \$3M is allocated to the purchase of 2.85M pounds of culturally relevant product, including produce, spice boxes and local market purchases. Fresh produce acquisition, both donated and purchased (including culturally relevant produce) is estimated at 4.2M pounds. Federal commodities from the TEFAP and CSFP programs are estimated at 3.75M pounds.

The chart below outlines the categories of food acquisition, pounds acquired by category and the cost of each category.

Sources	Projected FY23	Projected FY24	Change	Budget FY24
Donated Product				
Total Donated	4,800,000	5,450,000	650,000	\$927,800
Purchased	6,533,734	6,400,000	(133,734)	\$6,720,000
Government Product				
TEFAP	2,732,466	3,000,000	267,534	\$0
CSFP	750,000	750,000	0	\$0
Total Government Product	3,482,466	3,750,000	267,534	\$0.00
Kids Boxes & To-Go-Bags (10,000 boxes or bags)	110,000	78,000	(32,000)	\$152,200
Co-Op Program (Net \$-0-)	248,134	250,000	1,866	\$0
Total	15,174,334	15,928,000	753,666	\$7,800,000

Innovation Programs & Agency Supports:

During the pandemic, the Food Bank provided significant cash support to member agencies to help them distribute food in safe and innovative ways. In FY23, as agencies started to return to normal operating practices, we provided cash support to assist agencies in many ways. The cash support went to assist member agencies move back to the client choice model, make needed capital improvements, and provide pantry clients with vouchers to acquire food from local markets. Also, we received a one-time federal grant of \$500,000 to help 5 member agencies acquire new trucks. In FY24, agency support has been reduced to \$400,000, but will still cover grants for capacity, capital improvements, vouchers, and other needs identified by agencies.

Meetings/Conferences/Training/Travel:

During the pandemic, the Food Bank had scaled back employee conferences, training, and travel. Prior to the pandemic, we sent a few employees each year to Feeding America conferences and provided many employees with different training opportunities. In FY24, the plan is ramp up the training program and focus on strategic plan goal B (2): *Expand leadership opportunities and professional growth for staff through training and career development*. The budget sets aside \$50,000 of surplus funds to roll out an organizational wide training and development program that encompasses all staff.