

Operating Endowment Discussion & Planning

4/24/23

What size endowment do we need to fund future expenses?

Question: Raise funds each year to cover annual costs, **OR** build an endowment for sustaining income?

Short term solution: donate directly to Op Spendable while Endowment grows.

Find sponsors to cover newsletter costs and event costs.

AB members volunteer time & \$ to cover extra PM hours.

Allocate PCG donations to Op Endowment to help cover annual PCG \$250 fee.

While building Op Endowment, also continue to grow Grant Endowment .

Remember, it takes 16 quarters after 3rd qtr "look back" (4 years) to earn full spending %.

Long Range Operating Endowment scenarios: (WAG guesses Plan A, B, C, D)

Phase #1 covers current expenses. Phase #2 covers future PM expense. Phase #3 covers office if in-kind office is not available.

Plan A, B, C, D illustrates the endowment amount required as expenses increase.

Line #s	4.5%	Plan A		Plan B		Plan C		Plan D		
		Expense estimated	Endow required:	Expense estimated	Endow required:	Expense estimated	Endow required:	Expense estimated	Endow required:	
1	Phase #1 Office, newsletter, event exp:									
2	PO Box rental	250	5,556	250	5,556	250	5,556	250	5,556	
3	Chamber dues	275	6,111	275	6,111	275	6,111	275	6,111	
4	PCG annual fee	250	5,556	250	5,556	250	5,556	250	5,556	
5	Other: letterhead, postage, brochures	100	2,222	500	11,111	1,000	22,222	2,000	44,444	
6	Newsletters print/postage *	3,000	66,667	3,000	66,667	4,000	88,889	5,000	111,111	
7	Events *	7,000	155,556	8,000	177,778	9,000	200,000	10,000	222,222	
8	PM: If needed add 'l 100 hrs x \$23	2,300	51,111	2,300	51,111	2,300	51,111	2,300	51,111	
9	Newsminer advertising	-	-	1,000	22,222	2,000	44,444	3,000	66,667	
10	Office: rent, util, internet	Donated: ██████████				-	-	-	-	
11	Office: copy machine	Donated: ██████████				-	-	-	-	
12	<i>* Will try to obtain sponsors to cover newsletter and event costs.</i>									
13	Total Phase #1	13,175	292,778	15,575	346,111	19,075	423,889	23,075	512,778	
14	Change from each Plan A, B, C, D			53,333		77,778		88,889		
15										
16	Phase #2 (PM costs):	hours x \$ rate	350 \$ ██████████	510 qtr-time		1,020 half-time		2,040 full-time		
	<i>Currently Rasmuson covers 350 hours for PM; some day GHCF will need to fund the PM.</i>									
17	Wages: hours in line above x \$ ██████████	8,050	178,889	11,730	260,667	23,460	521,333	46,920	1,042,667	
18	Health benefits	-	-	-	-	14,000	311,111	16,000	355,556	
19	Total Phase #2 (adds PM hours)	8,050	178,889	11,730	260,667	37,460	832,444	62,920	1,398,222	
20	Total Phase #1 + #2	21,225	471,667	606,778		1,256,333		1,911,000		
	Less Current Op Endow FMV 4/23/2023		326,370	326,370		326,370		326,370		
	SHORT Phase #1 & #2		(145,297)	(280,408)		(929,963)		(1,584,630)		
21										
22	Phase #3 (Office space if in-kind is not available)									
23	Office space est \$500 per month	6,000	133,333	8,000	177,778	10,000	222,222	12,000	266,667	
24	TOTAL Phase #1+#2+#3 Exp/Endow	27,225	605,000	35,305	784,556	66,535	1,478,556	97,995	2,177,667	
25	Change from each Plan A, B, C, D			179,556		694,000		699,111		
26	Less Current Op Endow FMV 4/23/2023		326,370	326,370		326,370		326,370		
27	SHORT Phase #1, #2, & #3		(278,630)	(458,186)		(1,152,186)		(1,851,297)		