

## **2011 GPUS BUDGET EXPENSE NARRATIVE**

### INTRODUCTION

The 2011 GPUS Budget occurs amidst the second year of a deep national and international financial crisis that has made it challenging for non-profit organizations and independent political parties like the GPUS that survive on donations and fundraising. This follows the Green Party's own difficult period when it suffered the blowback of being blamed for the Bush presidency. As the nation sees the GPUS as providing answers for many of the dilemmas we face, we will gain more and more support.

The 2010 GPUS Budget was designed to lower the party's debt by minimizing expenses while still meeting basic party operating needs, including by not funding certain staff and contractor positions. Having reduced party debt in 2010, the 2011 approach emphasizes increasing party fundraising capabilities through a budget that includes various strategic priorities that have been unfunded in recent years.

This budget is not an authorization to hire and spend! It is merely a goal setting document that states what we intend to do *if we raise sufficient funds to carry out those plans*. The primary focus is to rebuild our fundraising infrastructure. We will complete the migration of our donor database to the DIA/Salsa platform, thereby significantly increasing our access to and usefulness of donor information.

Read the income narrative introduction and you will see that our first and primary task is a special, one-time fundraising campaign to raise the working capital required to implement the fundraising plans and programs. Until this is accomplished we will not begin to incur any new expenses in the budget that could put us into the red without adequate funding.

We've made a few changes in how the budget is formatted. First, the staff positions are presented as before in the functional categories where their associated costs are grouped, but this year the payroll taxes and health benefits are also tracked right along with the gross pay, instead of being lumped in one cost taxes and health insurance. This makes it easier to assess the true cost of a position. Then, the fundraising costs are presented right after the revenue section. This is a better way to match revenue with the cost of producing the revenue. The net funds left to operate the GPUS are added as a line item along with the percentage calculation of those funds available for operations. Lastly, possible future year's budgets are presented to show how funds might be allocated to more political and outreach work when fundraising grows to meet those projections.

REMEMBER: FUNDRAISING FIRST BEFORE EXPENDITURES!!! This is a guide for carefully managed progress toward success, not a blank check to spend.

### **I. STAFF AND INDEPENDENT CONTRACTORS**

1-1 GPUS Staff: Funding GPUS Staff.

The GPUS is undergoing a transitional period with its staff. Long time

Executive Director Brent McMillan (<http://www.gp.org/staff/Brent-McMillan.php>) will be leaving his position at the end of 2010. Previously in the 2010 budget the Party did not renew the Fundraising Director staff position or the Accountant contractor position.

In 2011 the Office Manager position is recommended to be retained and the Media Coordinator changed from a contractor to a part-time staff position.

A job announcement to hire a Fundraiser has gone out, with the position available as of January 1st, 2011. (<http://www.gp.org/jobs/fundraiser.pdf>). A Political Director position is planned to be filled after the Fundraiser position is filled and an income stream is developed.

Staff costs include salaries, health care, and employer-paid taxes. In 2011, a modest increase is recommended for the Office Manager position from \$36,000 to \$39,000/year. The Media Coordinator will remain at \$750/month, but will gain benefits in moving from contractor to staff. The Fundraiser position is advertised at \$36,000 for 30 hours/week. The Political Director will be advertised at \$18,000 for 20 hours/week with hiring anticipated some months into 2011. The costs for health insurance are \$466/month each for the Office Manager, Fundraiser, Media Coordinator and Political Director. Payroll taxes are calculated at 12% of salary.

1-2 Independent Contractors: Funding Independent Contractors.

In addition to paid staff, the GPUS has retained independent contractors for three positions in the past - Accountant, Web Manager and Media Coordinator. The Accountant and Media Coordinator have been paid a straight monthly amount, while the Web Manager has been paid by the hour upon submission of invoice, with a monthly cap (with the flexibility to average the cap over a few months when the work load demanded it). However in 2010, the Accountant position was not filled to reduce costs and FEC filings in 2010 were done by the Office Manager with support from the Executive Director and the Treasurer.

For 2011, the Steering Committee is recommending the same job description and terms of payment for the Web Manager and to return the Accountant position. The Media Coordinator would become a part-time staff position.

The budget costs for the Web Manager are found in Support & Services. The budget costs for the Media Coordinator are found in Organizing & Outreach.

## **II. FUNDRAISING COSTS - \$151,482**

2-1 Fundraiser: \$36,000 plus taxes and insurance.

A job announcement to hire a Fundraiser has gone out, with the position available as of January 1st, 2011. (<http://www.gp.org/jobs/fundraiser.pdf>).

2-2 Direct Mail Expenses: \$48,000.

It has been the goal of the GPUS to send out at least three direct mail solicitations per year. Costs associated with Direct Mail in 2011 are Resolicitation (\$27,000), Prospect mailings (\$9,000), Postage (\$9,000) and List Purchases (\$3,000).

2-3 Online Expenses: \$9,000.

Included on this line are monthly expenses of \$500 for Wired for Change (formerly Democracy in Action), as well as payment for occasional consulting work to increase the usability of the database.

2-4 Phone Solicitation: \$24,000.

The Steering Committee is in consultation with Keys Direct, a direct marketing firm with experience in fundraising for the Green Party of Canada. Of these expenses, \$20,000 is budgeted for Green donors and \$4,000 for prospecting.

2-5 Merchandise Committee: \$11,700.

Cost of merchandise sold \$7,440, Postage & Shipping \$1000, Advertising & Promotion \$600, income tax on sales \$100, and inventory growth (10% of sales \$1360.

2-6 Events: \$350.

The SC has approved a request by the Lavender Caucus for \$350 from caucus Restricted Funds for the tabling fee for the Creating Change Conference in Minneapolis at which merchandise will be sold and other contributions solicited.

2-7 Electronic Payment Processing: \$4,520.

These are costs for processing check and credit cards and are based on a percentage of income. These costs have been reduced from previous years by consolidation in 2009 of services with our bank.

2-8 Miscellaneous Fundraising Costs: \$1,000.

2-9 State Sharing Distributions for 2011: \$7,000.

### **III. ELECTORAL POLITICS - \$48,354**

3-1 Political Director: \$18,000 salary plus taxes and insurance.

The Political Director is contemplated to be filled at 20 hours/week for \$18,000/year plus benefits, after the Fundraiser position is filled and an income stream is developed. The job description for the Political Director position has not yet been finalized by the Steering Committee, but is expected to contain those general political aspects of the job description of the outgoing Executive Director. Payroll taxes for the Political Director (at 12% of salary) will be \$2,160 and health insurance \$5,592.

3-2 Ballot Access: \$15,000 for Ballot Access for state Green Parties.

For the first time in many years, the 2011 budget provides a major increase in the amount the GPUS will dedicate to supporting ballot status when state Green Parties request assistance. Since 2006, funds to support ballot access have been budgeted only twice - 2008 (\$1,459) and 2006 (\$2,000). In 2011, \$15,000 is budgeted and it will be up to the Ballot Access Committee to allocate to individual ballot access efforts.

3-3 Candidate Support: \$5,000 for direct financial contributions to candidates through the Coordinated Campaign Committee.

3-4 Campaign Schools: \$3,000 for regional campaign schools, other expenses to be raised locally.

3-5 Travel: \$1,500.

Funding for the Political Director or other staff person to attend state Green party meetings and conferences, and to appear at meetings and conferences of other organizations upon invitation on behalf of the GPUS.

#### **IV. ORGANIZING AND OUTREACH - \$23,122.**

4-1 Media Coordinator: \$9,000 plus taxes and insurance.

In 2011 the Media Coordinator position is moved from being an independent contractor to being GPUS staff. Salary will continue to be \$9,000 year (\$750/month), but will include payroll taxes (at 12% of salary) of \$1,080 and health care costs of \$5,592.

4-2 Media Committee: \$1,450.

\$1,000 is budgeted for email and fax costs, the Media Coordinator's basic cell phone costs, and press packets and ID badges for the Annual National Meeting, while \$450 is budgeted to purchase a media directory from Gebbie Press. <http://www.gebbieinc.com/>.

Gebbie is a less expensive option than Bacon's Media Data Base [http://us.cision.com/products\\_services/cisionpoint/plan/media\\_database/media\\_database\\_overview.asp](http://us.cision.com/products_services/cisionpoint/plan/media_database/media_database_overview.asp), which the party has purchased in the past, paying between \$1700 and \$1900 in splitting the cost with a local Washington, DC Green. The directory from Gebbie has the vantage that they ask each media outlet which is the best email for communications such as press releases, as opposed to Cision which includes individual emails of people who may leave or be laid off.

4-3 Printing Platform Summary: \$2000.

4-4 Membership & Conferences: \$500 for dues to electoral politics-related organizations of which the GPUS is a member/supporter.

In 2011, \$50 is budgeted to continue the GPUS membership in the Coalition for Open and Fair Elections <http://www.cofoe.org>. The GPUS has this membership because COFOE's work goes to the heart of one of the key GPUS priorities - ballot access. COFOE continually files ballot access and other related lawsuits that benefit the Green Party, usually three to five at a time. Awards they receive are reinvested into

further work. Former GPUS Steering Committee member Phil Huckelberry is on the COFOE Board of Directors at present and GPUS Executive Director Brent McMillan has been in the past. Additional funds are provided for dues to other organizations as may be deemed appropriate and advantageous.

3-5 Green Pages: \$3,500 Funding for Green Pages, the newspaper of the GPUS (<http://www.gp.org/greenpages/mission.php>).

For 2010, funding is budgeted for Green Pages to produce a single issue in conjunction with the Annual National Meeting. Green Pages would also continue to be published year round on-line at [www.gp.org/greenpages](http://www.gp.org/greenpages) and distributed from via email from the GPUS office through Greenline.

It is expected that Green Pages and the Fundraising Committee will discuss how Green Pages can be published in a manner that is financially advantageous for the party. Still to be decided is what kind of bulk production for the state parties should be done, and whether all donors to the party should received a hard copy. Also to be considered is whether to insert a fundraising appeal envelope into each issue of Green Pages. These options involve varying costs separate from that budgeted for Green Pages for 2011.

Between 2002 and 2008, Green Pages was published three or four times a year in hard copy. It was included as a courtesy to most donors, as well as sold in bundles to state parties. Budgeting for Green Pages was as high as \$13,000 as recently as in 2008. Then in 2009 Green Pages was initially budgeted at \$8,000, but to cut costs below this, the Green Pages Editorial Board proposed to the NC to print only one hard copy issue in 2009, timed to come out a few weeks before the Annual National Meeting. For the other issues, a .pdf of four 8 1/2 x 11 pages was designed to be downloaded and reprinted for local use. This approach reduced the actual 2009 expenditure to \$2,082. In 2010 no funds were budgeted for Green Pages and it only appeared on-line.

#### **V. GOVERNANCE - \$27,500.**

5-1 Steering Committee: \$2,000.

Funding for Steering Committee travel to an in-person meeting during the year.

5-2 Annual National Meeting: \$22,000.

In any ANM budget by definition, budgeted expenses are to be equal to or less than the budgeted income. The amount currently budgeted in the 2011 budget is a placeholder number, pending passage later by the National Committee of a specific ANM proposal including a budget.

5-3 International Representation: \$3,000.

The 2011 Budget provides \$3,000 for funding of GPUS delegates to the annual meeting of the Federation of Green Parties of the Americas (FPVA in Spanish). The GPUS is entitled to one vote at these meetings, but can send up to three delegates to participate in the official proceedings and cast that one vote. The amount budgeted is considered to fund either two or three GPUS delegates, depending upon where the meeting will be, which will determine airfare costs.

The 2011 Budget also projects five years into the future. The 2013 budget projects funds for the Federation meetings and also the Global Green Congress that will be held that year.

5-4 Legal: \$500.

Funding of the party's legal needs and obligations, spent at the discretion of the Steering Committee as per its job description in the party's bylaws to "Solicit legal advice as necessary on behalf of GPUS." (<http://www.gp.org/documents/bylaws.shtml#04-02>)

**VI. SUPPORT AND SERVICES - \$106,772.**

6-1 Office Manager: \$39,000 plus payroll taxes and health insurance for the Office Manager.

The 2011 Budget provides for a salary of \$39,000/year plus benefits for the Office Manager. The position of Office Manager was a part time position between 2006 and 2009, alongside the more senior position of Operations Director. When Operations Director Emily Citkowski left in May 2009, Office Manager Brian Bittner went from part-time to full time, even though he continued to operate under his part-time contract signed earlier in the year. In 2010 the Office Manager position was established as an officially-budgeted full time position. The job description for the position in 2011 is expected to be roughly the same as in 2010, with perhaps a few minor changes. In addition to salary, costs will include payroll taxes (at 12% of salary) of \$4,680 and health care costs of \$5,592.

6-2 Web Manager: \$7,200 Funding for Web Manager as Independent Contractor.

This 2011 budget provides an average of \$600/month for the Web Manager. It is the policy that the Web Manager is paid by the hour upon submission of invoice, with a monthly cap of \$600/month and with the flexibility to average the cap over a few months when the work load demands it.

6-3 Accountant: \$6,000 Funding for Accountant as Independent Contractor.

In 2010 the GPUS discontinued the Accountant position for one year as part of a cost-cutting measure, with the Office Manager responsible for the filing with support from the Executive Director and the Treasurer. In 2011 it is proposed that a new Accountant be hired and that the Office Manager continue to do the filings until the new Accountant is actually retained.

6-4 Rent: \$20,000.

The rent for the GPUS office in Washington, DC is \$1,650/month. The current lease expires in May 2011.

6-5 Phone/DSL: \$5,000.

Funding for the phone and DSL expenses associated with the GPUS office

6-6 Internet: \$2,500.

Funding for web hosting, computer updates, virus protection, and other related internet expenses.

6-7 Supplies \$2,500.

Funding for general office supplies for the GPUS office.

6-8 IT Development: \$10,000.

The 2010 Budget provides \$10,000 for web hosting, computer updates, virus protection, and other related internet expense, including both hardware and software needs. This budget line represents an increase of \$3,000 over the 2010 budget, in order to fund software development upgrades, including of the party's voting page.

6-9 Postage/shipping: \$2,500.

The 2010 Budget provides \$2,500 for general postage and shipping costs for the GPUS office. Costs for sending merchandise are not included in these costs, but are included in the respective line items for each.

6-10 Insurance: \$1,500.

The 2010 Budget provides \$1,500 for property and liability insurance that includes the Annual National Meeting and the liability policy for the DC office as required by our lease.

**VIII. RESTRICTED FUNDS - \$30,216.**

These are approximate amounts owed to caucuses and committees from restricted funds they raised and to state parties through the GPUS state sharing program.

**VI. LOAN REPAYMENTS -\$22,000.**

This includes the loans undertaken under Proposal #431, approved by the National Committee in December 2009 (<http://gp.org/cgi-bin/vote/propdetail?pid=431>). The loans are to be repaid from the \$30,400 released to GPUS by the Juoni Trust in January 2011. The amount repaid may be smaller if, as in the past, some of the loan participants decide to convert all or part of their loan into a contribution.