



## BOARD OF DIRECTORS MEETING

Monday, September 28th, 2020

5 – 7:00pm

Meeting Location: Virtual/Call In

AGENDA	TIME
• Call to Order (Chris Warner)	5:00p
• Welcome/Introductions (Chris Warner)	5:01p
○ Julie Orlando, Director of Advancement	
• Approve Agenda (Chris Warner)	5:03p
• Approval of Minutes (Chris Warner)	5:04p
• Executive Directors Report (Linda Bryant)	5:15p
○ Strategic Plan Process Update	
○ Staffing Update	
○ Hopes Closet Update	
• Financial Report (Sara Nohner)	5:25p
○ August Financial Dashboard	
○ Approval of Signature and Spending Authority Policy	
○ Return to Calendar Year End	
○ Budget FY2021	
• Advancement Report (Linda Bryant)	5:55p
• Program Report (Mark McNamer)	6:00p
• Committee Reports	6:05p
○ Strategic Planning Committee – Jennifer Stone	
○ Development Committee – Stephen Nash	
○ Nominations Committee – Sue Woodard	
• New Business (Chris Warner)	6:15p
○ Board Member Recognition and Updates (Chris Warner)	
▪ Board Member Recognitions	
▪ Board Election	
• Action Item Recap (Chris Warner)	6:25p
• Adjourn to a Closed Meeting of Board Members (Chris Warner)	6:30p
• Board Meeting Adjourn (Chris Warner)	7:00p

## Board of Directors Meeting Minutes: August 24, 2020

Present: Chris Warner, Chair; Stephen Spears, Vice Chair; Sarah Nohner, Treasurer; Sue Woodard, Jennifer Stone, Mark Nolen, Stephen Nash, Sheriff Stuart, Leanne Matchen, Anna VanRueden

Staff In attendance: Linda Bryant, Executive Director; Mark McNamer, Director of Programs; Julie Fliflet, Director of Finance and Administration; Kristin VanHeel, Marketing and Communications Director, Nikki Kalvin, Community Engagement and Events Specialist, Debby Layer, Volunteer.

Absent: Marina Bressler, Secretary, and Sean Haag

Approval of Agenda: Jen Stone, Stephen Spears

Approval of Minutes: Sheriff Stuart, Sarah Nohner

Mission Moment: hope's closet

Debby presented about how hope's closet came to be. She had wanted to open a resale boutique for a nonprofit. Her daughter Shanna knew Sue Woodard and the two discussed opening one for HOPE 4 Youth. Debby noted that it was all possible thanks to community help from the initial set up to daily operations; 58 volunteers.

- Sheriff Stuart said the volunteers are very friendly and it's an effective way to raise awareness and funds – his daughters shop there.
- Sue Woodard thanked Debby for her work; she loves shopping there.
- Debby thanked Kristin for her help with all the marketing and communications for the boutique.
- Nikki, Debby and Linda will plan on opening hope's closet soon. The biggest factor in opening is the volunteers and Nikki is calling to assess their willingness to come in.
- 12 Month Look Back – Net Sales \$91K, Expenses \$83K, Revenues \$8K, and average of 504 transactions per month.

Executive Report: Linda Bryant

- There have been several site visits (Pohlad, Schulz Foundation, Otto Bremer) – programming funding, not just general operations funding.
- There have been several meetings with Anoka County to discuss GRH funding of HOPE Place; a few follow up meetings.
- We're in the process of developing new scorecards; launching in October.
- Linda and Mark have been meeting with the Anoka Hennepin Schools homeless Liaison to discuss a future partnership. We're hoping to incorporate learnings from CIRCLE 4 HOPE and HOPE Homes in the schools.

- In the process of resurrecting the youth clinic at the Drop-In Center. Healthcare is a health disparity with homeless and it's a gap area in the services we provide.
- There was a significant drop in donations in July. There will be a focus on initiatives with advancement team to bring in more donations.
- The budgeting process is going well. We're budgeting cautiously. The budget will be brought to the Finance Committee and then to the Board
- HOPE 4 Youth Gala will be moved to Spring 2021.
- A Look Inside HOPE is being relooked at to fit the Benevon model; a COVID Benevon model.
- We're working on implementing new technology – GiveEffect – that tracks donors and volunteers. The goal is to be ready by October 1.
- All the committees are up and running again; Development, Strategic Planning, etc.
- Personnel Update
  - We hired a Director of Advancement, Julie Orlando. She has 24 years of development experience, most recently at Salvation Army North Division.
  - Four staff have left the organization, Andrea Kish-Bailey, John Stark, Daeona Griffin and Monica Alley. That's a 20% turnover rate. Linda does not take this lightly. She is spending the next few weeks figuring out how to retain talent; ensuring policies engage work-life balance. Exit interviews will be used to spot trends that the organization needs to move forward with.

#### Financial Report: Sarah Nohner

- There has been a decrease in donations due to Summer, COVID, but we're still close to our budget.
- She believes we will start to see impact of COVID going forward and COVID will probably affect donations for another year.
- Update on the \$90K of CARES Act income – we have not started official paperwork yet for forgiveness as the bank is not encouraging it. We're waiting on additional legislation that may allow us not to do paperwork.
- Overall YTD - \$30K above budget in income.
- Expenses: saving due to staff openings and not purchasing supplies for hope's closet.
- Programs: 80%
- Our cash flow is healthy as of now – 8 months.
- Budgeting timeline – the budget will be brought to board for approval next month.

#### Advancement: Linda

- The numbers on the scorecard speak for themselves.
- We should see an uptick in numbers over the next two months.

#### Program Report: Mark McNamer

- In July, there were 82 total visits to the Drop-In Center; 35 unique youth.
- Other youth serving organizations are seeing similar trends; youth are staying where they are at as there are fears around COVID and going to places where they may get it.

- There have been 15 connections through HOPE Homes in July.
- There is one opening at HOPE Place.
- We're working on written reports and looking at programs based on outcomes not output; utilizing the four federal outcomes; program mapping outcome.
- The October scorecard will look different in the new fiscal year.
- We're looking at how we market to youth. The summer numbers typically drop in Minnesota.
- We have expanded our Drop-In Center hours to 11 am – 7 pm.
- We're looking at our outreach, the YSN app, and other methods.

#### Strategic Planning Committee: Jen Stone

- Jen describes the committee as “The little engine that could” committee.
- Linda has partnered with Cheryl from Strategic Consulting to come up with a plan to move our strategic plan forward that will include focus groups with volunteers and key stakeholders (add in additional voices for those passionate about HOPE 4 Youth), talking to and engaging the board, and leading through a process to craft a three-year plan (good, better, best).
- Strategic Planning Committee reviewed the full proposal and the deliverables.
- The cost will be between \$9K-\$13K.
- Jen made a motion to use a third-party vendor for the strategic plan process not to exceed \$15K. Sue Woodard seconded. All were in favor.

#### Development Committee: Stephen Nash

- Linda developed a charter for the committee so there is a focus.
- Charged with walking through the event schedule 2020-2021; not just jumping from event to event.
- A development meeting is set monthly - Zoom meeting with Linda, Nikki and Kristin.
- Board members are welcome to join
- The Gala has been moved to spring; first Friday after Easter with hopes of having an in-person event.
- We will move forward with Out of the Cold as it works in a pandemic environment.
- We're working on the Board pledge form.
- This is the fun committee!

#### Nominations Committee: Sue Woodard

- The committee is ramping back up and has six new nominees.
- Sue will reach out to get the nominees resume and statement of interest: Paul Lenzmeier (Law Enforcement Role – Patrol Division), Don Phillips (Chief Investment Officer), Jessica Jasurda (Homeless Liaison Anoka Hennepin School District), Aubrey Dahl, Craig Melanie and Mariley Leo (all volunteers).

Meeting Adjourned to Closed Meeting.

## H4Y Strategic Planning Process & Timeline

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### Phase 1: October through December

- Establish Strategic Planning Team, host kickoff.
- Begin gathering relevant background information. Determine what stakeholder to contact, how best to get data from youth: focus groups or one on one, volunteer focus group, staff, and board.
- Create questions for each group
- Conduct environmental scan and SWOT analysis. Focus Groups, individual interviews, survey monkey and create report.
- Share data with strategic planning committee
- SCC will provide status report to Board of Directors.

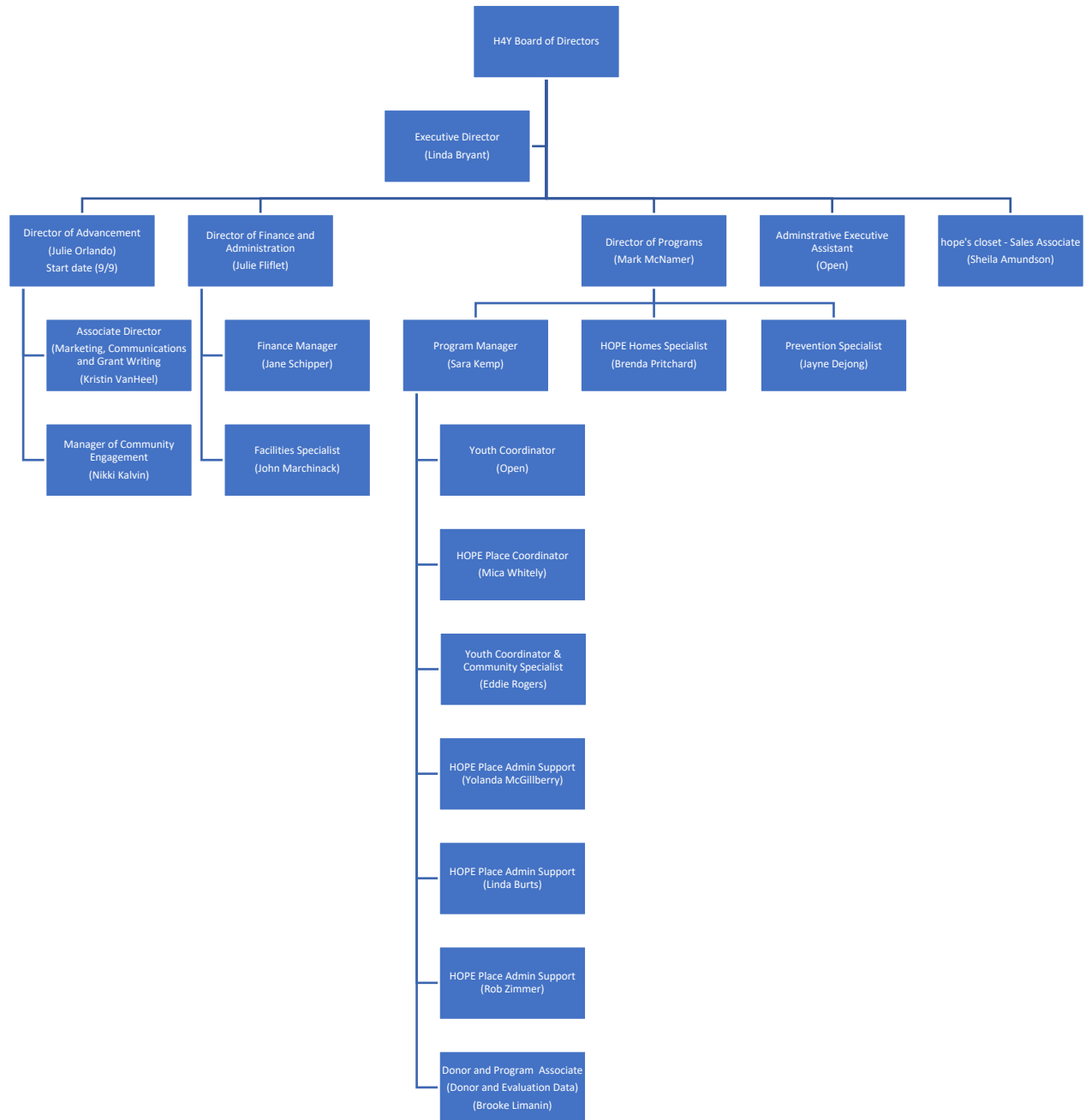
### Phase 2: December-January

- Meet 4 times with the strategic planning committee to craft strategic direction and plan based on learnings and insights from above information. **(Two meetings in December; and two meetings in January)**
- SCC will provide status report to Board of Directors. **(January Board Meeting)**

### Phase 3: February

- Meet 1-2 times key staff and/or Strategic planning committee to refine and adopt plan
- Make final copy edits before distribution to key stakeholders including staff. **Process wraps by February 26, 2021.**

# Organizational Chart – As of 8/20/2020



## HOPE 4 Youth Financial Dashboard

FY 20: August 2020

Profit & Loss	MONTH		YTD		Comments
	Income	Actual	Var to Budget	Actual	
Donations	\$27,193	-\$30,357	\$552,429	-\$102,021	FY19 Aug=\$28K; FY19 YTD=\$597K
Special Events	\$0	\$0	\$289,016	-\$75,984	4K & Gala under budget. Breakfast event cancelled
Foundations	\$3,670	-\$1,330	\$206,230	\$71,230	
Government Contracts/Grants	\$5,300	\$5,300	\$25,400	\$25,400	
CARES Act Forgiveable Loan	\$26,255	\$26,255	\$116,813	\$116,813	
Earned & Investment Income	\$11,626	-\$6,658	\$178,857	-\$18,280	hopes closet closed mid March
Assets Released From Restriction	\$19,038	\$4,644	\$201,436	\$7,894	
<b>Total</b>	<b>\$93,082</b>	<b>-\$2,146</b>	<b>\$1,570,181</b>	<b>\$25,052</b>	
<b>Expenses</b>					
General Ops (Drop-In Center/Programs)	\$51,073	-\$8,904	\$633,057	-\$36,313	
HOPE Place	\$29,286	-\$675	\$327,477	\$5,768	
hopes closet	\$5,266	-\$3,626	\$67,838	-\$32,803	hopes closet closed mid March
Event	\$0	\$0	\$59,226	-\$16,639	4K under budget/Breakfast event cancelled
Development	\$6,055	-\$10,593	\$128,291	-\$60,735	Open Chair, Dev. Director
Administration	\$11,108	-\$1,115	\$120,288	-\$41,017	
<b>Total</b>	<b>\$102,788</b>	<b>-\$24,912</b>	<b>\$1,336,177</b>	<b>-\$181,739</b>	
<b>Net Income</b>	<b>-\$9,706</b>	<b>\$22,766</b>	<b>\$234,004</b>	<b>\$206,790</b>	

Cost Allocation	Program	Administration	Development	Total
Actual YTD	80.6%	9.4%	10.0%	100%
Goal	> 70%	<12%	<18%	

Balance Sheet	8/31/20	8/31/19	% Change	Comments
<b>Assets</b>				
Current Assets	\$1,301,838	\$1,284,358	1%	
Fixed Assets	\$1,655,565	\$1,701,179	-3%	
Longterm Receivable and Mutual Fund	\$251,453	\$313,248	-20%	receivable from Heartland Tires decrease
<b>Total</b>	<b>\$3,208,855</b>	<b>\$3,298,786</b>	<b>-3%</b>	
<b>Liabilities &amp; Equity</b>				
Liabilities	\$521,634	\$581,606	-10%	
Equity W/ Donor Restriction	\$372,159	\$278,363	33%	
Equity W/O Donor Restriction	\$2,081,058	\$1,735,099	20%	
Net Income	\$234,004	\$703,719	-67%	last year had \$130K from TPC Rose Foundation
<b>Total</b>	<b>\$3,208,855</b>	<b>\$3,298,786</b>	<b>-3%</b>	

Cash Flow	8/31/2020	7/31/2020	6/30/2020	Key
Available Cash	\$1,065,243	\$1,113,035	\$1,160,724	light red > \$5,000 variance
Average Monthly Expenses	\$140,484			yellow < \$5,000 variance
				green = favorable variance
Cash Flow Based on average Expenses	*7.6 months	*using average/month		*GOAL: 3-6 Months

## **HOPE 4 Youth**

### **Signature and Spending Authority Policy**

*Adopted by Resolution of the HOPE 4 Youth Board of Directors on September 28, 2020*

This policy provides guidelines for HOPE 4 Youth pertaining to spending and signature authority. It applies to the Board, the Executive Director, and the Director of Finance & Administration. It is the responsibility of the Director of Finance & Administration to ensure that this policy is implemented and followed.

#### **Spending Authority**

The Executive Director and Director of Finance & Administration will have the spending authority to approve expenditures within the financial parameters established by the Board through the approval of the annual budget. For non-budgeted items, the Executive Director may spend up to \$5,000 with dual approval by the Director of Finance & Administration. For emergency situations, or in the absence of either the Executive Director or the Director of Finance & Administration, the Board Chair may be contacted for the dual approval, and in the absence of the Board Chair, the Board Vice-Chair may be contacted for the dual approval. All non-budgeted items over \$5,000 must go to the Board for approval, or Executive Committee if action is needed prior to the next Board meeting.

#### **Spending Guidelines**

All expenditures must be prudent and should benefit the organization and its mission.

#### **Signature Authority**

The Board Chair and/or other Board officers shall sign/execute the following documents:

- Employment offer to the Executive Director
- Board Resolutions
- Legal Settlements
- Sale, purchase, acquisition, or disposal of buildings regardless of value
- Other items, documents, or proposals requiring Board signature or Board Officer signature by the institution requesting signature

The Executive Director or Director of Finance & Administration shall have the authority to act on behalf of the organization and sign/execute all other documents including:

- Offers of employment/termination
- Banking forms/documents {loan documents can be signed by Executive Director or Director of Finance & Administration, but approval to borrow funds or take out a loan must be separately approved in advance by the Board of Directors, or Executive Committee if action is needed prior to the next Board meeting}
- Insurance contracts and documents
- Rental and maintenance agreements
- Checks
- 401K administration documents
- Employee Benefit forms/contracts
- IRS Forms
- Donations, Gift, and Grant documents (Proposals/Contracts/Letters)
- Sponsorship/Partnership agreements
- Other miscellaneous contracts/agreements





## MEMORANDUM

**TO:** HOPE 4 Youth Board of Directors

**FROM:** HOPE 4 Youth Finance Committee -Sarah Nohner, Tanya Bacigalupo, Mark Nolan and Finance Department Staff – Julie Fliflet and Jane Schipper

**RE:** Recommendation to return to a calendar year end for the organization’s financial year

The Finance Committee discussed and unanimously approved a recommendation for returning to a calendar year end for the organization’s financial year, and to move away from our current September 30<sup>th</sup> year end. The committee has been discussing this for the past 4 months, and agrees it is the best path forward. This would be a relatively simple change – and it would mean that the current fiscal year would be extended by 3 months to end December 31, 2020 instead of September 30, 2020.

The committee also discussed timing – should we do this now or wait? It was determined that this year is most definitely the best time to do this for a couple reasons: 1) the Gala has been moved to the Spring so there would not be two Galas falling within the extended fiscal year, and 2) this year has been impacted by COVID and is already substantially different from anything anticipated. Waiting a year to make this change would keep the organization and staff in limbo for too long. The hope is to “right a wrong” so to speak and be able to move forward better positioned for the future.

A formal recommendation documenting the reasons for this recommendation is attached. In general, the 9/30 year end is problematic, it creates a lot of confusion for staff and donors, and it creates a road-block for implementing best practices, systems, and organizational efficiencies. Staff would like to return to the calendar year end, and reverse this decision to get back to a better way of operating for the organization.

In researching the past Board packets and minutes regarding the decision made in May 2018 to change the year end from a calendar year end to a 9/30 year end, there was not much presented to the Board or Finance Committee. A short couple sentences is all that was provided in the packet, and the reason given was to have the organization’s most significant revenue generating quarter as the first quarter. While that may be a good move for a for-profit company, from a nonprofit organization standpoint that rationale is actually a bit flawed. A nonprofit such as HOPE 4 Youth is often better served by not doing that, because for most grant applications the funders request a YTD financial statement. Showing a large net surplus at the beginning of the year paints a picture that the organization is not in need of the funding being requested. It seemed to be more of a personal preference by the previous Executive Director, who was feeling some internal pressure regarding the reporting of fundraising results.

**MOTION TO APPROVE:**

The Board of Directors of HOPE 4 Youth formally approves a resolution to return to a calendar year end for the organization's financial year effective with the 2020 year, by extending the current fiscal year ending September 30, 2020 by 3 months to instead end December 31, 2020. The Board authorizes Julie Fliflet, Director of Finance and Administration, to sign all documents and IRS forms and filings pertaining to the change.

*Since the current Board and officer terms end 9/30/20, the Board can elect new officers and have those new terms begin 10/1/20 and end 12/31/21. (or the Board could choose to extend the current board terms and officers for 3 months, but since people had already prepared to be done as of 9/30 the first option might seem best)*

\*\*\*if the above motion is passed, then the following motion should also be made:

Motion to table approval of the fiscal year end 9/30/21 budget as prepared and send the budget back to staff with a directive to revise and update the budget as appropriate to reflect a calendar year end of 12/31/21. That revised budget should be brought back to the Finance Committee and Board for approval in 2-3 months, before the beginning of the new year that will begin January 1, 2021.

## **FORMAL RECOMMENDATION TO RETURN TO A CALENDAR YEAR END FOR THE ORGANIZATION'S FISCAL YEAR**

The current fiscal year end of 9/30 is problematic, it creates a lot of confusion for staff and donors, and it creates a road block for implementing best practices, systems, and organizational efficiencies. Staff would like to return to the calendar year end, not only because in general a calendar year end is always the simplest and easiest for an organization, but because it creates problems on a seemingly daily basis. Unless there is a strong reason not to have a calendar year, organizations find it best to have a calendar year end. Only organizations that have a very compelling reason to change from a calendar year end do so, because of how it complicates the financial reporting and other functions, and HOPE 4 Youth really does not have that compelling reason to differ.

The reason given for the past change to the 9/30 year end was to have the organization's most significant revenue generating quarter as the first quarter. While that may be a good move for a for-profit company, from a nonprofit organization standpoint that rationale is a bit flawed. A nonprofit is often better served by not doing that because for most grant applications the funders request a YTD financial statement, so having a large net surplus at the beginning of the year paints a picture that the organization is not in need of the funding being requested. It seemed to be more of a personal preference by the previous Executive Director, who was feeling some internal pressure regarding the reporting of fundraising results. We hope to reverse this decision, and get back to a better way of operating for the organization.

Additional complicating factors of having a September 30th year end:

- The IRS Form 990, which is a public document that many people look to for financial information on nonprofit organizations, requires some sections to be completed based on calendar year, while others are required to be completed based on the organization's fiscal year. This means that when an organization has a year-end that is not the same as the calendar year, there is information inconsistently reported throughout the Form 990. For some it appears to be "wrong" even when it isn't, and it creates issues when a reader of the Form 990 tries to compare one section to another. For example, the salaries information on the income statement section of the Form 990 is reported in conjunction with the organization's fiscal year, but the section that lists actual salaries for the top highest paid individuals lists those salaries on a calendar year basis.
- The organization often needs to pull payroll reports from the payroll system for a myriad of financial reports including reports to funders, government agencies, auditors, insurance, banks, proposals, workers compensation, tax reporting, completion of W2s, etc. Our payroll system, like a lot of payroll systems, does not allow these reports to be pulled outside of the calendar year. This means that every time you need to pull a report of payroll information for your fiscal year you must run two different reports and then add them together. This creates a lot of extra work, and it increases the chance of errors if you are constantly having to run two reports and do the add manually.
- As a nonprofit organization that solicits donations and contributions from donors, having a year-end that does not coincide with a calendar year is not the best because it confuses donors and it

complicates communications and decisions with donors surrounding charitable gifts. Staff will often use language like “you gave \$100 last year” or “you gave \$100 in 2019” and staff are talking about our last fiscal year, while the donor is most likely thinking this means the last calendar year. We often say the “2019 Gala” and no one really knows if this means the Gala that happened in October of 2019 or the Gala that happened in October of 2018 which occurred during fiscal year 2019, so it leads to mistakes and confusion and always requires additional clarification. It would be good to get that in sync again and avoid the confusion and miscommunication that this can cause.

- The Secretary of State requires an annual registration and it is easier to do this in relation to close of the year. It is just cleaner and easier when this coincides with our organization’s actual year.

### **Process for making the change back to a calendar year end**

We discussed changing back to a calendar year end with the auditors, and they agreed. In their words “Calendar year is always easier unless there is a compelling reason for something different”. They indicated that the process for changing back is relatively simple, and it would require HOPE 4 Youth to complete IRS Form 1128 to request the change. {A copy of that form is attached}

After the IRS approves the change (and the auditors thought they most likely would), then the auditors could do a 15-month audit for this year. The IRS would also most likely accept a 15-month report, and the auditors said they would be surprised if they didn’t, but if not then HOPE 4 Youth would just do a 12-month report and a short 3-month report if that was what the IRS required.

The organization would then extend the current fiscal year 2020 by 3 months, through the end of the calendar year to December 31, 2020 which would be a 15-month year. We would then start fresh on January 1, 2021 with a 12-month calendar year end. Board and officer terms could either be extended by 3 months in this current year or next year, either option is fine.

# Application To Adopt, Change, or Retain a Tax Year

OMB No. 1545-0134

Attachment  
 Sequence No. **148**

▶ Information about Form 1128 and its separate instructions is available at [www.irs.gov/form1128](http://www.irs.gov/form1128).

## Part I General Information

**Important:** All filers must complete Part I and sign below. See instructions.

Type or Print	Name of filer (if a joint return is filed, also enter spouse's name) (see instructions)	Filer's identifying number
	Number, street, and room or suite no. (if a P.O. box, see instructions)	Service Center where income tax return will be filed
	City or town, state, and ZIP code	Filer's area code and telephone number/Fax number ( ) / ( )
	Name of applicant, if different than the filer (see instructions)	<b>Applicant's identifying number</b> (see instructions)
	Name of person to contact (if not the applicant or filer, attach a power of attorney)	Contact person's area code and telephone number/Fax number ( ) / ( )

**1** Check the appropriate box(es) to indicate the type of applicant (see instructions).

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Individual                         | <input type="checkbox"/> Cooperative (sec. 1381(a))  | <input type="checkbox"/> Passive foreign investment company (PFIC) (sec. 1297)       |
| <input type="checkbox"/> Partnership                        | <input type="checkbox"/> Controlled foreign corporation (CFC) (sec. 957)   | <input type="checkbox"/> Other foreign corporation                                   |
| <input type="checkbox"/> Estate                             | <input type="checkbox"/> Foreign sales corporation (FSC) or Interest-charge domestic international sales corporation (IC-DISC) | <input type="checkbox"/> Tax-exempt organization                                     |
| <input type="checkbox"/> Domestic corporation               | <input type="checkbox"/> Specified foreign corporation (SFC) (sec. 898)  | <input type="checkbox"/> Homeowners Association (sec. 528)                           |
| <input type="checkbox"/> S corporation                      | <input type="checkbox"/> 10/50 corporation (sec. 904(d)(2)(E))   | <input type="checkbox"/> Other _____<br>(Specify entity and applicable Code section) |
| <input type="checkbox"/> Personal service corporation (PSC) | <input type="checkbox"/> Trust   |  |

**2a** Approval is requested to (check one) (see instructions):

- Adopt a tax year ending ▶ \_\_\_\_\_ (Partnerships and PSCs: Go to Part III after completing Part I.)
- Change to a tax year ending ▶ \_\_\_\_\_
- Retain a tax year ending ▶ \_\_\_\_\_

**b** If changing a tax year, indicate the date the present tax year ends (see instructions). ▶ \_\_\_\_\_

**c** If adopting or changing a tax year, the first return or short period return will be filed for the tax year beginning ▶ \_\_\_\_\_, 20\_\_\_\_, and ending ▶ \_\_\_\_\_, 20\_\_\_\_

**3** Is the applicant's present tax year, as stated on line 2b above, also its current financial reporting year? ▶  **Yes**  **No**

If "No," attach an explanation.

**4** Indicate the applicant's present overall method of accounting.

- Cash receipts and disbursements method  Accrual method
- Other method (specify) ▶ \_\_\_\_\_

**5** State the nature of the applicant's business or principal source of income.

### Signature—All Filers (See Who Must Sign in the instructions.)

**Sign Here** ▶ Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than filer) is based on all information of which preparer has any knowledge.

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶		Phone no.	
	Firm's address ▶				

**Part II Automatic Approval Request** (see instructions)

- Identify the revenue procedure under which this automatic approval request is filed ▶

**Section A—Corporations (Other Than S Corporations or Personal Service Corporations) (Rev. Proc. 2006-45, or its successor)**

	Yes	No
1 Is the applicant a corporation (including a homeowners association (section 528)) that is requesting a change in tax year <b>and</b> is allowed to use the automatic approval rules under section 4 of Rev. Proc. 2006-45 (or its successor)? (see instructions) . . . . . ▶		
2 Does the corporation intend to elect to be an S corporation for the tax year immediately following the short period? If "Yes" and the corporation is electing to change to a permitted tax year, file Form 1128 as an attachment to Form 2553.		
3 Is the applicant a corporation requesting a concurrent change for a CFC, FSC or IC-DISC? (see instructions) . . . ▶		

**Section B—Partnerships, S Corporations, Personal Service Corporations (PSCs), and Trusts (Rev. Proc. 2006-46, or its successor)**

4 Is the applicant a partnership, S corporation, PSC, or trust that is requesting a tax year <b>and</b> is allowed to use the automatic approval rules under section 4 of Rev. Proc. 2006-46 (or its successor)? (see instructions) . . . . . ▶		
5 Is the partnership, S corporation, PSC, or trust requesting to change to its required tax year or a partnership, S corporation, or PSC that wants to change to a 52-53 week tax year ending with reference to such tax year? . . . ▶		
6 Is the partnership, S corporation, or PSC (other than a member of a tiered structure) requesting a tax year that coincides with its natural business year described in section 4.01(2) of Rev. Proc. 2006-46 (or its successor)? Attach a statement showing gross receipts for the most recent 47 months. (See instructions for information required to be submitted) . . . . . ▶		
7 Is the S corporation requesting an ownership tax year? (see instructions) . . . . . ▶		
8 Is the applicant a partnership requesting a concurrent change pursuant to section 6.09 of Rev. Proc. 2006-45 (or its successor) or section 5.04(8) of Rev. Proc. 2002-39 (or its successor)? (see instructions) . . . . . ▶		

**Section C—Individuals (Rev. Proc. 2003-62, or its successor)** (see instructions)

9 Is the applicant an individual requesting a change from a fiscal year to a calendar year? . . . . . ▶		
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**Section D—Tax-Exempt Organizations (Rev. Proc. 76-10 or 85-58)** (see instructions)

10 Is the applicant a tax-exempt organization requesting a change? . . . . . ▶		
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**Part III Ruling Request** (All applicants requesting a ruling must complete Section A and any other section that applies to the entity. See instructions.) **(Rev. Proc. 2002-39, or its successor)**

**Section A—General Information**

	Yes	No
1 Is the applicant a partnership, S corporation, personal service corporation, or trust that is under examination by the IRS, before an appeals office, or a Federal court? . . . . . ▶ If "Yes," see the instructions for information that must be included on an attached explanation.		
2 Has the applicant changed its annual accounting period at any time within the most recent 48-month period ending with the last month of the requested tax year? . . . . . ▶ If "Yes" and a letter ruling was issued granting approval to make the change, attach a copy of the letter ruling, or if not available, an explanation including the date approval was granted. If a letter ruling was not issued, indicate when and explain how the change was implemented.		
3 Within the most recent 48-month period, has any accounting period application been withdrawn, not perfected, denied, or not implemented? . . . . . ▶ If "Yes," attach an explanation.		
4a Is the applicant requesting to establish a business purpose under section 5.02(1) of Rev. Proc. 2002-39 (or its successor)? . . . . . ▶ If "Yes," attach an explanation of the legal basis supporting the requested tax year (see instructions).		
b If your business purpose is based on one of the natural business year tests under section 5.03, check the applicable box. <input type="checkbox"/> Annual business cycle test <input type="checkbox"/> Seasonal business test <input type="checkbox"/> 25-percent gross receipts test Attach a statement showing gross receipts from sales and services (and inventory cost if applicable) for the test period. (see instructions)		
5 Enter the taxable income or (loss) for the 3 tax years immediately preceding the year of change and for the short period. If necessary, estimate the amount for the short period. Short period                    \$ _____ First preceding year                    \$ _____ Second preceding year       \$ _____ Third preceding year                    \$ _____ <b>Note:</b> <i>Individuals, enter adjusted gross income. Partnerships and S corporations, enter ordinary income. Section 501(c) organizations, enter unrelated business taxable income. Estates, enter adjusted total income. All other applicants, enter taxable income before net operating loss deduction and special deductions.</i>		

	Yes	No
<b>6</b> Corporations only, enter the losses or credits, if any, that were generated or that expired in the short period:		
Generated		
Expiring		
Net operating loss . . . . . \$ _____		
Capital loss . . . . . \$ _____		
Unused credits . . . . . \$ _____		
<b>7</b> Enter the amount of deferral, if any, resulting from the change (see section 5.05(1), (2), (3) and 6.01(7) of Rev. Proc. 2002-39, or its successor) . . . . . ▶ \$ _____		
<b>8a</b> Is the applicant a U.S. shareholder in a CFC? . . . . . ▶		
If "Yes," attach a statement for each CFC providing the name, address, identifying number, tax year, the percentage of total combined voting power of the applicant, and the amount of income included in the gross income of the applicant under section 951 for the 3 tax years immediately before the short period and for the short period.		
<b>b</b> Will each CFC concurrently change its tax year? . . . . . ▶		
If "Yes" to line 8b, go to Part II, line 3.		
If "No," attach a statement explaining why the CFC will not be conforming to the tax year requested by the U.S. shareholder.		
<b>9a</b> Is the applicant a U.S. shareholder in a PFIC as defined in section 1297? . . . . . ▶		
If "Yes," attach a statement providing the name, address, identifying number, and tax year of the PFIC, the percentage of interest owned by the applicant, and the amount of distributions or ordinary earnings and net capital gain from the PFIC included in the income of the applicant.		
<b>b</b> Did the applicant elect under section 1295 to treat the PFIC as a qualified electing fund? . . . . . ▶		
<b>10a</b> Is the applicant a member of a partnership, a beneficiary of a trust or estate, a shareholder of an S corporation, a shareholder of an IC-DISC, or a shareholder of an FSC? . . . . . ▶		
If "Yes," attach a statement providing the name, address, identifying number, type of entity (partnership, trust, estate, S corporation, IC-DISC, or FSC), tax year, percentage of interest in capital and profits, or percentage of interest of each IC-DISC or FSC and the amount of income received from each entity for the first preceding year and for the short period. Indicate the percentage of gross income of the applicant represented by each amount.		
<b>b</b> Will any partnership concurrently change its tax year to conform with the tax year requested? . . . . . ▶		
<b>c</b> If "Yes" to line 10b, has any Form 1128 been filed for such partnership? . . . . . ▶		
<b>11</b> Does the applicant or any related entity currently have any accounting method, tax year, ruling, or technical advice request pending with the IRS National Office? . . . . . ▶		
If "Yes," attach a statement explaining the type of request (method, tax year, etc.) and the specific issues involved in each request.		
<b>12</b> Is <b>Form 2848</b> , Power of Attorney and Declaration of Representative, attached to this application? . . . . . ▶		
<b>13</b> Does the applicant request a conference of right (in person or by telephone) with the IRS National Office, if the IRS proposes to disapprove the application? . . . . . ▶		
<b>14</b> Enter amount of <b>user fee</b> attached to this application (see instructions) . . . . . ▶ \$ _____		

**Section B—Corporations (other than S corporations and controlled foreign corporations)** (see instructions)

	Yes	No
<b>15</b> Enter the date of incorporation. ▶		
<b>16a</b> Does the corporation intend to elect to be an S corporation for the tax year immediately following the short period? . . . . . ▶		
<b>b</b> If "Yes," will the corporation be going to a permitted S corporation tax year? . . . . . ▶		
If "No" to line 16b, attach an explanation.		
<b>17</b> Is the corporation a member of an affiliated group filing a consolidated return? . . . . . ▶		
If "Yes," attach a statement providing <b>(a)</b> the name, address, identifying number used on the consolidated return, tax year, and Service Center where the applicant files the return; <b>(b)</b> the name, address, and identifying number of each member of the affiliated group; <b>(c)</b> the taxable income (loss) of each member for the 3 years immediately before the short period and for the short period; and <b>(d)</b> the name of the parent corporation.		
<b>18a</b> Personal service corporations (PSCs): Attach a statement providing each shareholder's name, type of entity (individual, partnership, corporation, etc.), address, identifying number, tax year, percentage of ownership, and amount of income received from the PSC for the first preceding year and the short period.		
<b>b</b> If the PSC is using a tax year other than the required tax year, indicate how it obtained its tax year.		
<input type="checkbox"/> Grandfathered (attach copy of letter ruling) <input type="checkbox"/> Section 444 election (date of election _____)		
<input type="checkbox"/> Letter ruling (date of letter ruling _____)      (attach copy))		

**Section C—S Corporations** (see instructions)

	Yes	No
<b>19</b> Enter the date of the S corporation election. ▶		
<b>20</b> Is any shareholder applying for a corresponding change in tax year? . . . . . ▶ If "Yes," each shareholder requesting a corresponding change in tax year must file a separate Form 1128 to get advance approval to change its tax year.		
<b>21</b> If the corporation is using a tax year other than the required tax year, indicate how it obtained its tax year. <input type="checkbox"/> Grandfathered (attach copy of letter ruling) <input type="checkbox"/> Section 444 election (date of election _____) <input type="checkbox"/> Letter ruling (date of letter ruling _____ (attach copy))		
<b>22</b> Attach a statement providing each shareholder's name, type of shareholder (individual, estate, qualified subchapter S Trust, electing small business trust, other trust, or exempt organization), address, identifying number, tax year, percentage of ownership, and the amount of income each shareholder received from the S corporation for the first preceding year and for the short period.		

**Section D—Partnerships** (see instructions)

	Yes	No
<b>23</b> Enter the date the partnership's business began. ▶		
<b>24</b> Is any partner applying for a corresponding change in tax year? . . . . . ▶		
<b>25</b> Attach a statement providing each partner's name, type of partner (individual, partnership, estate, trust, corporation, S corporation, IC-DISC, etc.), address, identifying number, tax year, and the percentage of interest in capital and profits.		
<b>26</b> Is any partner a shareholder of a PSC as defined in Regulations section 1.441-3(c)? . . . . . ▶ If "Yes," attach a statement providing the name, address, identifying number, tax year, percentage of interest in capital and profits, and the amount of income received from each PSC for the first preceding year and for the short period.		
<b>27</b> If the partnership is using a tax year other than the required tax year, indicate how it obtained its tax year. <input type="checkbox"/> Grandfathered (attach copy of letter ruling) <input type="checkbox"/> Section 444 election (date of election _____) <input type="checkbox"/> Letter ruling (date of letter ruling _____ (attach copy))		

**Section E—Controlled Foreign Corporations (CFC)**

<b>28</b> Attach a statement for each U.S. shareholder (as defined in section 951(b)) providing the name, address, identifying number, tax year, percentage of total value and percentage of total voting power, and the amount of income included in gross income under section 951 for the 3 tax years immediately before the short period and for the short period.		
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**Section F—Tax-Exempt Organizations**

	Yes	No
<b>29</b> Type of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other (specify) ▶		
<b>30</b> Date of organization. ▶		
<b>31</b> Code section under which the organization is exempt. ▶		
<b>32</b> Is the organization required to file an annual return on Form 990, 1120-C, 990-PF, 990-T, 1120-H, or 1120-POL? ▶		
<b>33</b> Enter the date the tax exemption was granted. ▶ _____ Attach a copy of the letter ruling granting exemption. If a copy of the letter ruling is not available, attach an explanation.		
<b>34</b> If the organization is a private foundation, is the foundation terminating its status under section 507? . . . ▶		

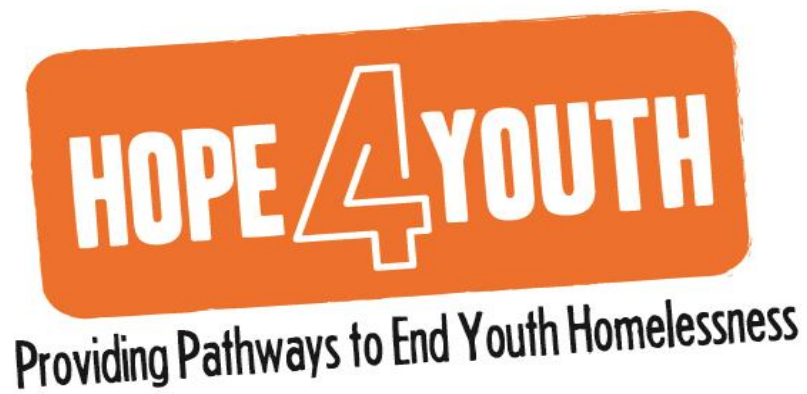
**Section G—Estates**

<b>35</b> Enter the date the estate was created. ▶		
<b>36 a</b> Attach a statement providing the name, identifying number, address, and tax year of each beneficiary and each person who is an interested party of any portion of the estate.  <b>b</b> Based on the adjusted total income of the estate entered in Part III, Section A, line 5, attach a statement showing the distribution deduction and the taxable amounts distributed to each beneficiary for the 2 tax years immediately before the short period and for the short period.		

**Section H—Passive Foreign Investment Companies**

<b>37</b> If the applicant is a passive foreign investment company, attach a statement providing each U.S. shareholder's name, address, identifying number, and percentage of interest owned.		
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## **Budget Final Draft**

**Fiscal Year 2021**

**October 1, 2020-September 30, 2021**

**HOPE 4 Youth  
Budget Fiscal Year 2021**

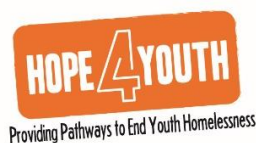
	<b>FY2020 Budget</b>	<b>FY2021 Budget</b>	<b>Variance</b>
<b>REVENUE</b>			
Donations, Gifts, and Grants	953,934	932,500	(21,434)
Government Grants/Contracts	150,000	170,000	20,000
Program Service Revenue	125,012	163,760	38,748
Special Events, net	299,700	225,000	(74,700)
Store Sales	84,000	67,500	(16,500)
Investment & Other Income	6,420	13,200	6,780
<b>TOTAL REVENUE</b>	<b>1,619,066</b>	<b>1,571,960</b>	<b>(47,106)</b>
<b>EXPENSE</b>			
Payroll, Taxes, Benefits	1,040,223	1,036,160	(4,063)
Contracted Srvs & Professional Fees	160,235	135,430	(24,805)
Insurance	21,911	28,000	6,089
Building & Facilities Expense	174,089	165,690	(8,399)
Supplies & Equipment	20,729	12,100	(8,629)
Postage, Mailing, & Delivery	4,156	6,020	1,864
Staff, Board, & Volunteer Expense	37,200	32,040	(5,160)
Program Expenses	20,760	42,560	21,800
Printing & Promotion Expenses	17,625	14,150	(3,475)
Travel & Transportation	11,570	5,580	(5,990)
Licenses, Memberships, Dues, Fees	49,345	45,110	(4,235)
Depreciation Expense	48,668	44,950	(3,718)
<b>TOTAL EXPENSE</b>	<b>1,606,511</b>	<b>1,567,790</b>	<b>(38,721)</b>
<b>NET SURPLUS(DEFICIT)</b>	<b>12,555</b>	<b>4,170</b>	<b>(8,385)</b>

9.7.20

**HOPE 4 Youth  
Budget Fiscal Year 2021**

9.7.20

	TOTAL	Drop In Center	Hope Place	Hope Homes	Hope's Closet	Genl Fundr/ Developmt	Special Events	Mgmt & General	Total
<b>REVENUE</b>									
Donations, Gifts, and Grants	932,500	0	75,833	75,000	0	781,667	0	0	932,500
Government Grants/Contracts	170,000	105,000	65,000	0	0	0	0	0	170,000
Program Service Revenue	163,760	0	163,760	0	0	0	0	0	163,760
Special Events, net	225,000	0	0	0	0	0	225,000	0	225,000
Store Sales	67,500	0	0	0	67,500	0	0	0	67,500
Investment & Other Income	13,200	0	0	0	0	0	0	13,200	13,200
<b>TOTAL REVENUE</b>	<b>1,571,960</b>	<b>105,000</b>	<b>304,593</b>	<b>75,000</b>	<b>67,500</b>	<b>781,667</b>	<b>225,000</b>	<b>13,200</b>	<b>1,571,960</b>
<b>EXPENSE</b>									
Payroll, Taxes, Benefits	1,036,160	375,991	232,310	58,815	47,026	132,601	74,970	114,447	1,036,160
Contracted Srvs & Professional Fees	135,430	11,747	86,453	11,002	912	6,135	0	19,181	135,430
Insurance	28,000	10,130	6,868	1,580	1,297	5,166	0	2,959	28,000
Building & Facilities Expense	165,690	64,028	48,748	414	43,287	5,860	0	3,353	165,690
Supplies & Equipment	12,100	3,293	2,232	514	3,421	1,679	0	961	12,100
Postage, Mailing, & Delivery	6,020	1,274	863	199	164	3,149	0	371	6,020
Staff, Board, & Volunteer Expense	32,040	11,412	7,737	1,780	1,461	5,820	0	3,830	32,040
Program Expenses	42,560	11,616	4,532	26,412	0	0	0	0	42,560
Printing & Promotion Expenses	14,150	2,026	1,374	316	259	9,583	0	592	14,150
Travel & Transportation	5,580	1,737	1,957	271	222	886	0	507	5,580
Licenses, Memberships, Dues, Fees	45,110	14,968	8,881	1,670	1,662	14,620	0	3,309	45,110
Depreciation Expense	44,950	2,282	36,534	215	1,138	3,041	0	1,740	44,950
<b>TOTAL EXPENSE</b>	<b>1,567,790</b>	<b>510,504</b>	<b>438,489</b>	<b>103,188</b>	<b>100,849</b>	<b>188,540</b>	<b>74,970</b>	<b>151,250</b>	<b>1,567,790</b>
<b>NET SURPLUS(DEFICIT)</b>	<b>4,170</b>	<b>(405,504)</b>	<b>(133,896)</b>	<b>(28,188)</b>	<b>(33,349)</b>	<b>593,127</b>	<b>150,030</b>	<b>(138,050)</b>	<b>4,170</b>



## **Budget Narrative Fiscal Year 2021 (October 1, 2020 – September 30, 2021)**

The Fiscal Year 2021 Budget Timeline:

August 26, 2020 – 1<sup>st</sup> Draft of Budget presented to Finance Committee

September 9, 2020 - Final Draft Budget presented to Finance Committee

September 21, 2020 - Final Draft Budget presented to Executive Committee

September 28, 2020 - Final Draft Budget presented to Board

The FY21 Budget reflects:

Total Revenue	\$1,571,960
Total Expense	\$1,567,790
Net Surplus (Deficit)	\$ 4,170

### **COVID-19 Impact/Assumptions**

We have analyzed the impacts of COVID-19 on the organization over the past 6 months. As we begin the next fiscal year, we know we will continue to be impacted by the pandemic and have included assumptions in the budget reflective of those impacts for the areas affected. The main areas affected by COVID-19 include the Hope's Closet resale boutique operations, special events, travel/mileage expenses, and office and meeting expenses. In looking at the detail and historical level of donations over the last 2 years, our donation and contribution revenue has not been negatively impacted by COVID-19 and remains consistent with prior years, other than the loss of special event revenue from the breakfast fundraiser that was cancelled. However, we have taken a conservative approach regarding contribution revenue for the upcoming year. We have not built in annual increases and have not included increased goals in the budget for next year as we have done in the past, even though an organization as young as H4Y would expect to see growth and increases in contributions each year. We have identified some opportunities to potentially increase funding, and most likely there will be some additional COVID-19 funding to tap into, even possibly a CARES Act PPP 2<sup>nd</sup> Round, but we have been conservative and have not built any revenue into the budget in relation to these items. More specific information on each budget area/line item and the underlying assumptions is included in the narrative that follows.

### **Donations, Gifts, and Grants Revenue**

The budgeted revenue for these contributions which includes individuals, civic & faith based organizations, and corporate/foundation giving was developed comparing FY19 actuals, FY20 budgeted amounts, and FY20 YTD amounts. The budgeted figures are relatively conservative,

and do not include large increases over historical levels. In some cases, the budgeted revenue goals for next year are significantly less than the budgeted amounts for FY20. While it would generally be expected that a nonprofit organization like H4Y would build increases into the budget each fiscal year for growth in fundraising, we have taken a more conservative approach with next year's budget and have instead based it on current anticipated levels.

Analysis of the total budgeted Donations, Gifts, and Grants:

Total YTD through July 2020	\$848,062
August 2020 received	<u>\$ 30,863</u>
Subtotal	\$878,925
Total budgeted contributions	<u>\$932,500</u>
Sept Addl/Budgeted Incr	\$53,575

The total budgeted donations, gifts, and grants is \$53,575 more than the YTD total and we still have the month of September to come in. We also know that for Otto Bremer Trust (a \$50,000 per year annual funder) we did not submit this year's grant request last winter in time for their May/June funding award cycle, and instead applied later in the year, so the funding decision won't come from Otto Bremer until November and will fall outside of our 9/30 year end. This means that unfortunately H4Y will miss a fiscal year with Otto Bremer Trust funding. We also have applications pending with large dollars that have high potential for funding that we may hear from before September 30<sup>th</sup> including a \$50,000 application to Target, \$10,000 to Anoka Cty, \$10,000+ to Shulze Family Foundation, and others. H4Y was also without a Development Director for 3 months of this current year.

### **Government Grants/Contracts**

The budgeted revenue for Government Grants/Contracts includes \$150,000 for the MN Dept of Human Services OEO grant. H4Y has received this funding for the last four years at this level, the current contract runs through June 30, 2021, and we would anticipate a renewal for July 2021. We have also budgeted \$15,000 for OEO ESP funding which is anticipated to be \$5,000/month for October – December 2020, and an additional \$5,000 in general government grant funding to be secured during FY21 (this is not yet secured but we have a high probability of securing some additional government funding, most likely it would be Anoka County funding).

### **Program Service Revenue**

The budgeted revenue for Program Service Revenue represents the rental income and supplemental services subsidy payments for the Hope Place housing units. Units can be funded by government subsidy, self-pay, or a combination of both. We have been diving into the rental income, specifically related to the Group Residential Housing subsidy payments and parameters with Anoka County and have identified some ways we can better maximize our earnings potential in this area; however, to be conservative the current budget reflects only a small amount of additional revenue.

### Special Events, net revenue

The net revenue of \$225,000 from Special Events was developed with a conservative mindset. Last year's budget included large increases in the revenue to be raised from special events, but this year we have budgeted for total net revenue to be in line with past year's actual amounts raised as follows:

Gala	\$130,000 (FY19 \$133,000; FY20 \$119,000) <i>*budgeted \$130,000 because we can reduce expense by at least \$15,000</i>
4K	\$ 60,000 (FY19 \$56,000; FY20 \$54,000)
Hunt 4 Hope	\$ 20,000 (FY19 \$21,370)
Breakfast	\$ 15,000 (FY19 \$13,772)

### Store Sales

The current budget draft includes an assumption that the store would open on or before October 1<sup>st</sup>, 2020 and be open for the entire fiscal year, with an assumption that store sales would be half of the last 12 month's average through March (half the year) and then return to normal for the last half of the year.

### Investment & Other Income

Investment & Other income is budgeted at similar income levels as was earned this fiscal year. We do not have large dollars invested so this number is pretty consistent for the organization.

### Payroll, Taxes, and Benefits

The budgeted amount for payroll expenses is based on the following:

- Current staffing levels have been incorporated, combined with assumptions to replace the Director of Advancement and Administrative Assistant before October 1, and to replace the open Case Manager position at the Drop-In Center by January 1 (we are currently evaluating the current job description for that position and discussing how best to structure that position in the future). Nikki Kalvin, our Events Specialist, has been promoted to the Community Engagement Manager position that was previously held by Monica Alley, and for the coming year, we do not plan to hire an additional Events Specialist. Having these positions combined is how the organization operated prior to this fiscal year, so we are returning to that model for the upcoming fiscal year and will evaluate how it goes.
- This budget draft also assumes we will not have the Excell Academy school-based prevention program next year, and would not have the part-time Prevention Specialist position associated with that program. This past year was a pilot year for this program and there were some challenges with this age group demographic, and H4Y did not secure any funding for the program. In addition, the COVID-19 pandemic has made

school-based programming very difficult and uncertain, and Excell Academy has made the decision to incorporate a distance learning model for all students this fall. As a result, we are planning to use FY21 to plan, re-evaluate, and talk with school leaders in the Anoka-Hennepin School District on how best to structure and provide school-based programming, and how best we can work with schools to provide services for youth. Once we have a plan and new service delivery model, we will seek funding for those program services and hopefully enter FY22 with a new service delivery model and secured funding.

- A raise pool of approximately 3% has been included in the assumptions.
- Employee benefit estimates have been included that will allow HOPE 4 Youth to further develop its compensation and benefit offerings that began in 2020 and will be looking at getting a pension plan established, potential new health insurance offerings, an EAP, etc.

Overall, the budgeted total for payroll, taxes, and benefits is very similar when compared with the previous year's budget (\$1,040,000 this year verses \$1,036,160 for next year).

Head Count Comparison:

	<u>FY20 Budget</u>	<u>FY21 Budget</u>
Full-Time Employees	12	10
Part-Time Employees	8	8
Total Employees	20	18

### **Contracted Services & Professional Fees**

The Contracted Services & Professional Fees budgeted line item totals \$135,430 for the coming year. It is \$25,000 less than previous year's budget mainly because the previous year included contracted services for an interim Executive Director. This line item includes costs for:

Contracted Services that are ongoing, representing expenses for HOPE 4 Youth annually every year {these are all budgeted at amounts equal to historical levels with small inflationary increases}:

- Audit and Legal Services
- IT Outsourcing
- Overnight Security at Hope Place
- Anoka County Workforce Job Training Services at Hope Place
- Website Design/Management

Specific One-Time Consultants budgeted for the coming year:

- Program Evaluation
- Strategic Planning guidance/assistance
- Diversity/Equity/Inclusion agency-wide initiatives

### **Insurance**

The Insurance is budgeted at \$28,000 reflecting the estimated premiums for D&O, Property, Liability, Auto, Umbrella, and Workers Compensation. An estimated 7.5% premium increase was factored after speaking with our broker on what to expect in increases with our renewals. The budget also includes dollars to add two policies related to Cyber/Internet Liability as well as Volunteer coverage, that were identified as coverage that the agency should be carrying that are not currently within the insurance coverage portfolio.

### **Building and Facilities Expense**

The budgeted Building and Facilities Expense includes the leased facilities at the Drop-In Center and Hope's Closet, the mortgage interest on the owned buildings at Hope Place and Admin Office, and the other expenses of building operations including Utilities, Trash/Recycling, Telephone/Internet, Repairs & Maintenance, Cleaning, Association Fees at Admin Building, HVAC, Fire Systems, Snow Removal, and Miscellaneous Building Expenses.

The Drop-In Center lease is year to year, and the budget includes a normal inflationary annual increase comparable to what has been experienced each year historically.

The lease for Hope's Closet comes up for renewal at the end of December, and the budget assumption includes lease expense of approximately the same, whether that be at the current location or somewhere different.

This expense is lower than the previous year's budget mainly because the property H4Y owns is now setup tax exempt which has reduced our property tax expenses by almost \$6,000.

### **Supplies & Equipment**

The budgeted expense for Supplies and Equipment includes costs for office supplies and equipment. There were some larger expenses associated with moving into the new Admin Office in past years, but the expenses are anticipated to be lower next year.

### **Postage, Mailing, & Delivery**

The budgeted expense of \$6,000 for Postage, Mailing, and Delivery includes expenses for annual regular postage expense, expenses for a postage meter, and one fundraising appeal mailing during the year (most likely at year end).

### **Staff, Board, and Volunteer Expense**

The Staff, Board, and Volunteer Expense budget includes expenses for:

- Staff, board, and volunteer meetings
- Volunteer and staff appreciation (including an annual volunteer appreciation event)
- Staff training, education, and development
- Staff cell phone expenses



The budget assumes there will be minimal expenses related to meetings during the first half of the year due to holding meetings virtually rather than in-person, with a return to a more normal meeting routine for the second half of the year, which is the main reason the expense is approximately \$5,000 lower than previous year's budget.

### **Program Expenses**

The Program Expenses budget line item includes direct support for youth including housing stipends for youth in the Hope Homes program, youth transportation, pantry and living supplies, youth programming/workshops/activities, and miscellaneous supplies needed for our programs. It is much higher than the previous year's budget, due to the housing supports associated with the Hope Homes program (those supports alone are \$24,000).

### **Printing & Promotion Expenses**

Printing & Promotion budgeted expenses include costs for inhouse copying/printing, as well as external marketing and promotion expenses, and the budget includes similar items and amounts as in the past year.

### **Travel & Transportation**

The Travel & Transportation budgeted expenses include costs for staff mileage reimbursement as well as the operating expenses for the agency van like gas, license tabs, and repairs/maintenance. There has been a drop in mileage reimbursement due to the COVID-19 pandemic, and the budget assumes that pattern will continue through the first half of the year, with a return to a more normal level for the second half of the year.

### **Licenses, Memberships, Dues, Fees**

The budgeted line item for Licenses, Memberships, Dues, and Fees includes the annual fees for the databases used to track client, donor, and volunteer data. It also includes annual membership and dues costs (i.e. MACC membership, MN Council of Nonprofits membership, etc.), and the portal administration fees and merchant service fees associated with credit card transactions. H4Y is changing to a new database system for donors and volunteers, but the costs are fairly similar to past year's database expenses. The new all-in-one database platform can be used for 4K registrations, so the budget reflects savings due to the elimination of RunSignUp fees from past years.

### **Depreciation Expense**

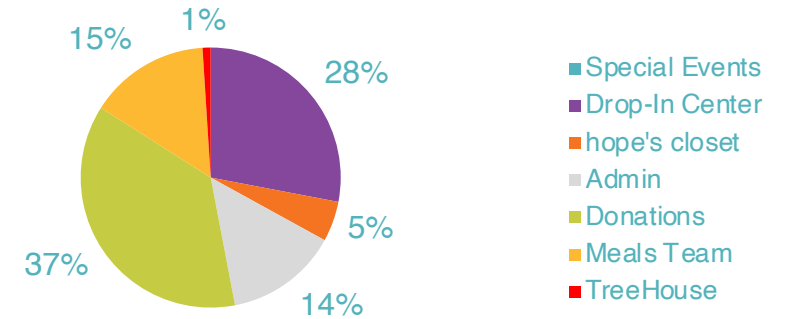
The budgeted depreciation expense includes depreciation expense for our owned buildings (Hope Place and Admin Office), building and leasehold improvements at all facilities, and vehicle depreciation related to the agency van. It is similar to last fiscal year, as there have been no large fixed asset purchases, and just a few smaller items becoming fully depreciated next year.



Providing Pathways to End Youth Homelessness

# Advancement Scorecard August 2020

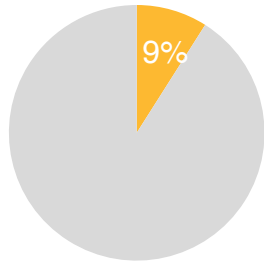
## Volunteer Hours by Program Area



### New Donors

**10**

Total New Donors  
Goal: 105

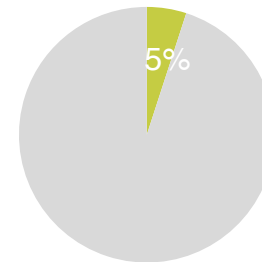


■ Current ■ Goal

### Renewed Donors

**1**

Total Renewed Donors.  
Last Donation <12 months  
Goal: 20



■ Current ■ Goal

### Active Volunteers

**38**

# of Active Volunteers

**306**

Volunteer Hours

**2**

# of New Volunteers

### Social Media Statistics

Impressions  
**39,305**

11% Increase  
Over Previous  
Month

Clicks  
**165**

45% Increase  
Over Previous  
Month

Engagement  
**2,534**

24% Increase  
Over Previous  
Month

Followers  
**12,126**

.3% Increase  
Over Previous  
Month

### Website Statistics

Users  
**1,455**

1% Increase  
Over Previous  
Month

Visits  
**1,828**

2% Decrease  
From Previous  
Month

New  
**81%**

# Visits  
**26**

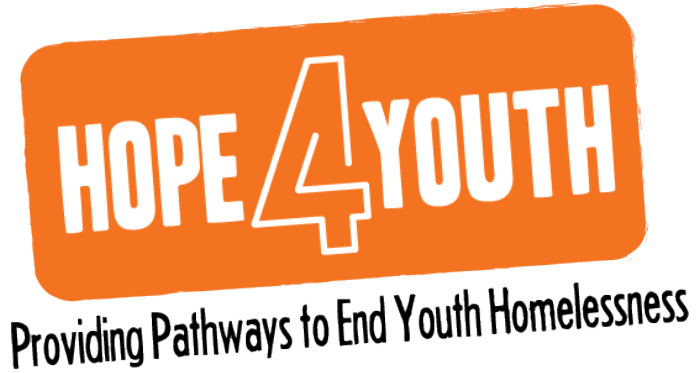
### Email Statistics

**6,695**

Subscribers

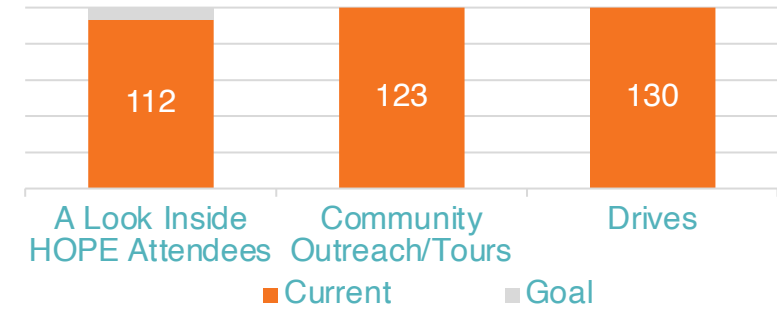
...

No Emails were Sent in August.



# Advancement Scorecard YTD (fiscal year)

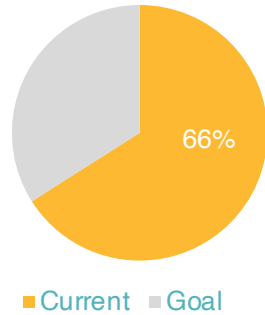
## Community Engagement



## New Donors

**765**

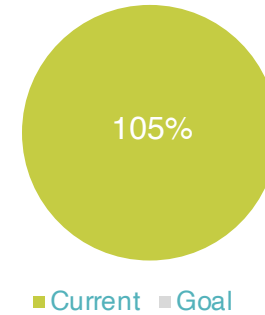
Total New Donors  
Goal: 1155



## Renewed Donors

**230**

Total Renewed Donors.  
Last Donation <12 months  
Goal: 220



## Active Volunteers

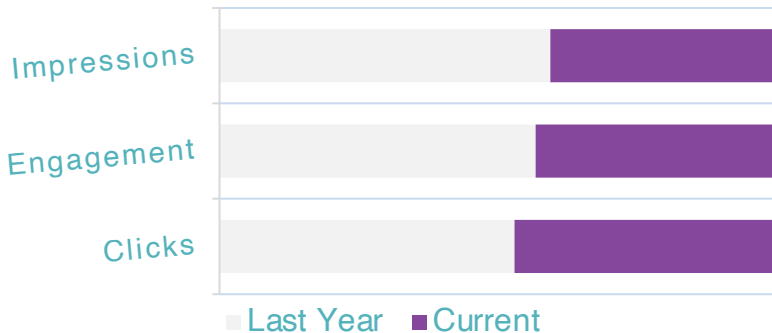
**270**

# of Active Volunteers

**7,072**

Volunteer Hours

## Social Media Statistics



Followers  
**12,126**  
17% Increase Over 2019

## Website Statistics

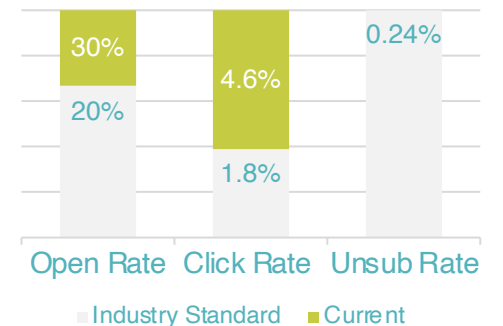
Users  
**21,683** 26% Decrease From 2019

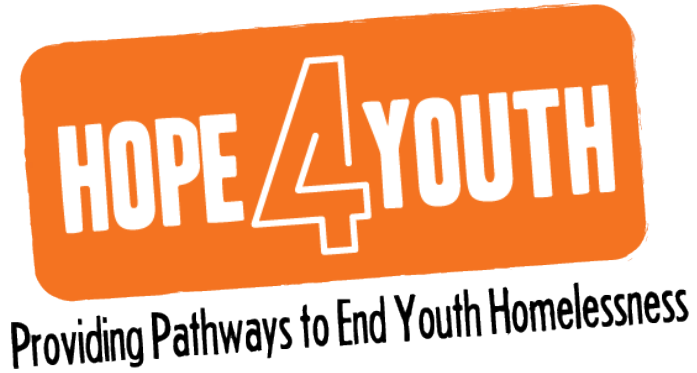
Visits  
**31,367** 30% Decrease From 2019

New  
**83%**

# Visits  
**1.45**

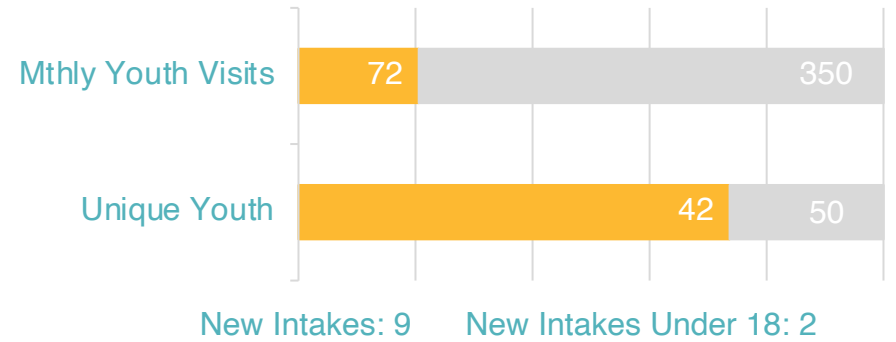
## Email Statistics





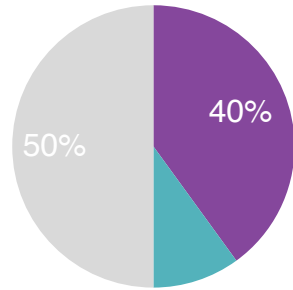
# Programs Scorecard August 2020

## HOPE 4 Youth Drop-In Center Youth Statistics



### Housing Navigation Referrals

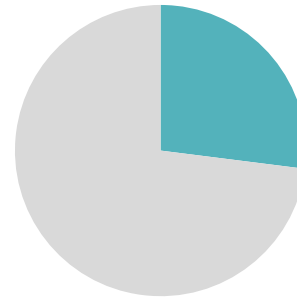
- Stepping Stone - 4
- Housing Navigator - 1
- Sober Living - 0
- Goal - 10



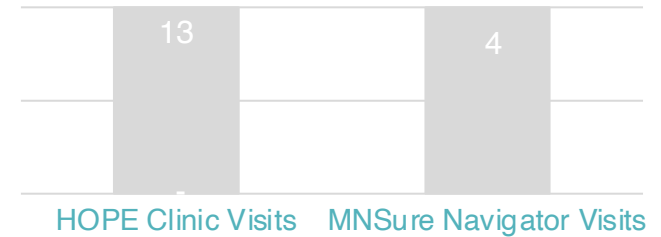
### Drop-In Center Youth Employment/ Education

**12**

Visits with the on-site Anoka County Workforce Center and Case Manager for Employment/ Education  
Goal: 45

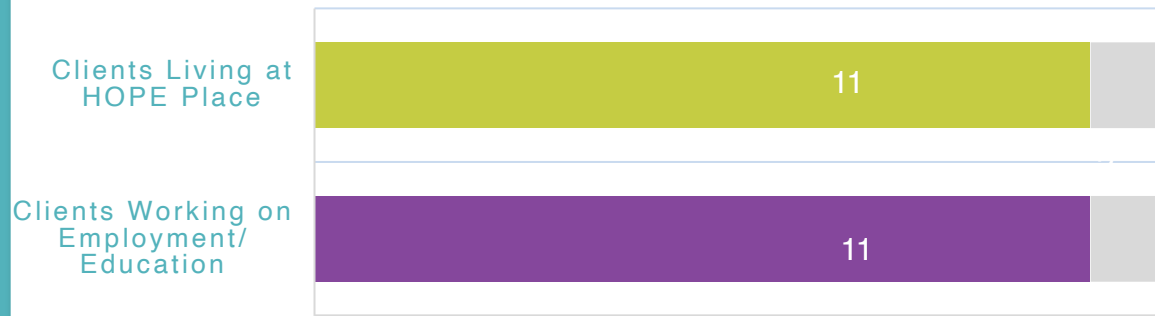


### HOPE Clinic



We are in process of finding a new On-Site Provider for HOPE Clinic

### HOPE Place Youth Statistics



### Drop-In Center On-Site Resources

**6**

Service and Referral Programs at the Drop-In Center  
Goal: 22

