

UPTF

PROPOSED BUDGET

2012-2013

Budget vs. Actual as of April 11, 2012

	<u>Actual as of April 11, 2012</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Proposed Budget 12-13</u>
Ordinary Income/Expense				
Income				
Income				
WSU Membership Dues	82,566.28	98,000.00	84.25%	110,000.00
Agency Fees	49,309.41	56,000.00	88.05%	56,000.00
Bank Interest	25.97	60.00	43.28%	60.00
Unpaid Leave Fee	5.00	100.00	5.0%	100.00
Total Income	<u>131,906.66</u>	<u>154,160.00</u>	<u>85.57%</u>	<u>166,160.00</u>
Total Income	131,906.66	154,160.00	85.57%	166,160.00
Expense				
Office Expenses				
Occupancy Overhead	2,920.00	3,504.00	83.33%	3,504.00
Telephone, Office	929.23	942.00	98.64%	1,000.00
Postage, Mailing Service	2.16	400.00	0.54%	250.00
Supplies	293.39	1,500.00	19.56%	1,000.00
Printing and Copying	553.04	190.00	291.07%	800.00
Furniture/Equipment	0.00	300.00	0.0%	200.00
Business Fees, Bank Charges	99.50	420.00	23.69%	150.00
Equipment Repair	0.00	400.00	0.0%	200.00
IT Expense	80.00	0.00	100.0%	200.00
Total Office Expenses	<u>4,877.32</u>	<u>7,656.00</u>	<u>63.71%</u>	<u>7,304.00</u>
Contract Services				
Audit Fees	9,400.00	5,000.00	188.0%	5,000.00
Legal Fees	0.00	600.00	0.0%	400.00
Bookkeeping Fees	8,977.50	9,600.00	93.52%	9,600.00
Total Contract Services	<u>18,377.50</u>	<u>15,200.00</u>	<u>120.91%</u>	<u>15,000.00</u>
Services				
Compensation for Employee	36,644.16	47,187.00	77.66%	41,000.00
Employee Benefits	8,680.38	8,797.00	98.67%	13,283.00
Employee Parking	650.00	880.00	73.86%	1,120.00
Employee Cell Phone	368.28	720.00	51.15%	600.00
Payroll Maintenance Fee	568.00	0.00	100.0%	500.00
Total Services	<u>46,910.82</u>	<u>57,584.00</u>	<u>81.47%</u>	<u>56,503.00</u>
Membership & Growth				
Books, Subscriptions, etc.	0.00	0.00	0.0%	200.00
Advertising and Promotion	0.00	120.00	0.0%	

Budget vs. Actual as of April 11, 2012

	<u>Actual as of April 11, 2012</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Proposed Budget 12-13</u>
Services to Members/Meetings	205.19	0.00	100.0%	180.00
Memberships and Dues	0.00	0.00	0.0%	200.00
Conventions	0.00	0.00	0.0%	1,200.00
Conference Registration etc	3,955.84	4,000.00	98.9%	5,000.00
Travel, per Diem	552.02	1,500.00	36.8%	1,500.00
Education	80.00	500.00	16.0%	200.00
Legal & Arbitrations	0.00	5,000.00	0.0%	2,000.00
Staff Development	0.00	0.00	0.0%	600.00
Community Relations	100.00	0.00	100.0%	100.00
Total Membership & Growth	<u>4,893.05</u>	<u>11,120.00</u>	<u>44.0%</u>	<u>11,180.00</u>
Donations				
WSU Scholarship Fund	2,500.00	0.00	100.0%	2,500.00
Affiliate Donations	0.00	0.00	0.0%	25,000.00
Total Donations	<u>2,500.00</u>	<u>0.00</u>	<u>100.0%</u>	<u>27,500.00</u>
Total Expense	<u>77,558.69</u>	<u>91,560.00</u>	<u>84.71%</u>	<u>95,183.00</u>
Net Ordinary Income	54,347.97	62,600.00	86.82%	70,977.00
Other Income/Expense				
Other Expense				
Payments to Affiliates				
Dues, AFT National	19,781.05	25,000.00	79.12%	29,000.00
Dues, AFT Michigan	19,781.05	25,000.00	79.12%	28,000.00
Dues, AFL/CIO Metro	1,026.30	1,350.00	76.02%	1,000.00
Total Payments to Affiliates	<u>40,588.40</u>	<u>51,350.00</u>	<u>79.04%</u>	<u>58,000.00</u>
Total Other Expense	<u>40,588.40</u>	<u>51,350.00</u>	<u>79.04%</u>	<u>58,000.00</u>
Net Other Income	-40,588.40	-51,350.00	79.04%	-58,000.00
Net Income	<u>13,759.57</u>	<u>11,250.00</u>	<u>122.31%</u>	<u>12,977.00</u>

CASH ON HAND	As of 6/30/11	As of 3/30/12	Proposed Donation	As of 6/30/12
Banking				
Checking Account	32,892.72	2,957.84		
Savings Account	9,594.73	44,514.56		
Reserve Account				
Audit Reserve		15,000.00	(15,000.00)	\$ -
Arbitration Reserve		1,600.00		\$ -
Cash Reserve		10,000.00	(10,000.00)	\$ 31,500.00
	<u>42,487.45</u>	<u>74,072.40</u>	<u>(25,000.00)</u>	\$ 13,500.00

Narrative Detail

REVENUE

Member Dues: 715 members pay 1.85% of their combined salary (about \$6.5 million) in dues, for an amount of \$120,250 in 2011-2012. However, UPTF expects that adjunct hires will be cut as the University acts on its initiative to hire more full time staff and have conservatively scaled back expected revenues to \$110,000. Each term has a different number of members and agency fee payers working, but this is the unduplicated count.

Agency Fees: 536 non-members pay the agency fee amount of 1.65% of their salaries (about \$3.4 million) for a total amount of \$56,100. Again, UPTF reduced the expected revenues to \$56,000 to meet university cuts.

Bank Interest: Because we propose to use, with membership approval, our reserves to support AFT Michigan in their efforts to put a law on the 2012 Michigan ballot that will protect collective bargaining, we do not anticipate income from interest until we rebuild our reserves.

Unpaid Leave: This represents dues paid by AFT Members who are not teaching in a given semester but who want to keep their active status in the AFT union in order to hold their positions as officers and to participate in AFT life insurance and other benefits. It is \$5.00, per our contract, to hold an active status.

EXPENSES

Office Expenses:

Occupancy: UPTF pays AAUP/AFT \$292 each month for use of machines (including a portion of the maintenance contracts), help from the Office manager, copying, and a small amount of rent for a total of \$3504 in 2010-2011 and do not anticipate a raise in fees for 2012-2013.

Telephone: The UPTF now pays \$81 each month for the office phone after an increase in fees.

Postage: We cancelled a subscription to Constant Contact, and we now use a free email distribution service, SALSA, provided by AFT. Consequently, we have only budgeted \$250 for 2012-2013 for stamps.

Office Supplies: We did not use the projected amount of \$1,500 last year, and so have limited the projected amount to \$1,000.

Outside Printing: We exceeded our budget for 2011-12 because we printed business cards for a new organizer. We may still need envelopes, checks and other printed materials, and we will print an office procedure manual; thus, we are allocating \$600.

Equipment: We intend to use the \$300 budget allocation this year to purchase a meeting table and chairs for the office. Since we do not anticipate the need for an equipment purchase in 2012-13, we budget \$200 in the case we need another filing cabinet.

Business Fees, Bank Charges: We pay 9.95 a month for Quickbooks banking services. Although we have looked into a “cloud” version of our Quickbooks accounting package, this would cost a monthly fee of \$59, or \$720 annually. Although it would allow all security cleared persons on the finance committee and council to

access and work on the Quickbooks application, the high cost makes it infeasible. We do need a \$99 contract with Intuit that will maintain an offline backup of the Financial Files. Consequently, we are allocating \$400.

Equipment Repair: \$200 is budgeted for any repair of the computer or printer.

Employee and Contract Expenses:

Audit Expense: We anticipate that our annual audit/review will cost \$5,000 for 2012-13.

Bonding: The person who does our bookkeeping and deposits the checks is bonded through AFT. We do not anticipate an expense.

Bookkeeping: Bookkeeping is \$25 per hour to maintain financial records, and to reconcile membership lists with payroll information we receive from the University. The costs exceeded the budget in 2011-12 because we have initiated several changes to the database to better to support organizing. We continue to receive paper instead of electronic reports from the university and will add our request to bargaining as a high priority this year. Since we have no guarantee that our request will be met, we anticipate that the costs to maintain the system will be about \$10,000 without a remedy to the problem.

Employee Compensation: This is the annual compensation for the UPTF staff organizer, which includes a 2.5% raise effective September 1, 2012, bringing compensation to \$41,000. This is estimated from current rates; however, as we are bargaining for a higher rate; our organizer will receive a raise comparable to our membership.

Employee Benefits: This includes legally required benefits as well as health, vision and dental expenses for the UPTF staff organizer.

Employee Parking: An additional benefit is paid-parking for the staff organizer in a Wayne State Parking structure. Assigned parking fees will be \$280 each semester -- a raise of \$60 for non-priority staff parking -- with a budget total of \$1,120 for 2012-13.

Employee Cell Phone: Our organizer received \$50 reimbursement on a cell phone for 2012-13.

Payroll Maintenance Fee: AFT Michigan manages all of our payroll expenses, and we pay them 1% of the annual total for this service, approximately \$500.

Membership and Recruitment Expenses

Books and Subscriptions: We subscribe to Labor Notes and have allocated funds to purchase User Guides for our Database users, \$200.

Services to Members/Meetings: This \$180 budget is projected from actual expenses for hospitality and meeting-related expenses.

Memberships and Dues: This \$200 covers annual dues for membership in Jobs With Justice and other community organizations with which we might affiliate in a new outreach drive.

Conventions: This year, the AFT convention will be held in Detroit. We are allocating \$1,200 to cover parking and registration fees for as many delegates as we can send to take advantage of the location.

Conference Registration and Expenses: In the current year, the staff organizer and several officers attended several AFT meetings in Michigan, attended the AFT Higher Education Conference in March in Chicago and the Labor Notes Conference in Chicago in May. Because this expense will likely exceed the budget allocation, we are allocating \$5000 for 2012-2013 to cover registration, travel and per diem.

Travel and per Diem, Staff and Volunteer: UPTF pays the costs of the staff organizer's travel as well as volunteer travel to meetings in Michigan at the federal business reimbursement rate of \$.555 per mile.

Legal/Arbitration: If UPTF consults the AFT attorney about a member concern or possible grievance, AFT pays part of the bill and UPTF pays the remainder. The \$5000 amount must be in the budget each year, as we may take a grievance to Arbitration, and if we do, then our costs would be as high as \$5000. (See also reserve accounts below.)

Education: This budget item (\$200) covers meetings for the purpose of educating stewards, volunteers and the officers.

Staff Development: We have allocated \$600 to send our organizer to Labor School classes for 2012-13; in addition, the organizer will be taking online classes to augment our organizing efforts.

Scholarship Fund: UPTF has established a scholarship fund at WSU. In order to maintain a named scholarship, by membership vote, we have committed \$7,500 over three years. This second year, we allocate \$2,500 for the UPTF Scholarship Fund.

Dues to Affiliates

AFT National: UPTF pays a per capita fee to AFT National based on the income of members and agency fee payers. In return, National AFT paid for two organizers for two years as well as office expenses to help us begin, and costs for the UPTF staff organizer, AFT organizer and office expenses for the year we negotiated our contract. AFT provides training and materials for union leadership, and communications to all members. All members have liability insurance and disability insurance through AFT, and access to other benefits as AFT members. Fee payers do not have those benefits. We are expecting a raise in these dues to \$29,000 due to a four-year start-up discount ending as of September 1, 2012.

AFT Michigan: UPTF pays a per capita fee to AFT Michigan based on the income of members and agency fee payers. In return, UPTF has access to the AFT Michigan attorney, with support for the fees, to an AFT staff person assigned to us to help us with grievances, contract questions and dealings with the University. In addition AFT Michigan leaders have been helpful to UPTF in dealing with Wayne State University. To that end, we are anticipating a \$28,000 expense.

AFL/CIO: UPTF pays a \$.30 per member to be a part of the Metro Detroit AFL/CIO

CASH AND ASSETS

Starting Balance: As of April 11, 2012, the checking and savings account are \$63,879.56. This does not include cash reserve funds, which total \$21,600 (see narrative below). Total liquid assets: \$85,479.56.

Fixed Assets: We don't anticipate any purchases of furniture and equipment for the year. The \$1,728 is for the computer, printer and projector.

Reserve Accounts:

Arbitration Reserve: We hold these dollars against the possibility of arbitrating a grievance. Unused budget is added to the reserve each year. In 2011-2012, we had \$10,000 in reserve, which represented unused budgeted funds for two years. For 2012-13, the fund accrues another unspent \$5,000 for a total \$15,000. We are proposing that UPTF donate the entire amount to AFT Michigan in their drive to collect signatures for the Michigan ballot proposal. Our reason is that we will not need arbitration funds if we no longer have a union. We must succeed in passing legislation in Michigan to protect collective bargaining. We anticipate the amount at the end of 2011-12 to be \$0 until we can again build up this fund.

Audit Reserve: This reserve fund was established to meet the cost of three years of audit/review. With audits completed through 2010-2011, our remaining reserve is \$1,600.

Reserve Account: These dollars will remain in a reserve account against the time that we would need to close our offices, lay off staff or have to meet other extraordinary expenses. Three months of operating costs are recommended; at \$7,000 a month, the account minimum should be \$21,000. The current account balance, \$10,000 in cash reserve, pending approval, will be donated to the AFT Drive for the Michigan Ballot proposal. Net income should provide the necessary \$21,000 moving forward into 2012-13.