

I am not going to review the budget line item by by line item, but rather give an overview of our current financial condition. If any member wants a copy of the budget spreadsheet please send me an email at vfptreasurer@gmail.com and I will make sure you get a copy.

During the first few weeks of 2022 the Board learned that VFP was in critical financial condition and meeting the next payroll was going to be difficult. Thanks to board calls to past donors and the reduction of staff hours VFP managed to make payroll and meet expenses, but a plan needed to be developed if we wanted to keep VFP viable and our unique Veteran voice alive.

Currently (8-24) we have \$23,566 in checking and \$42,760 in savings. We experienced a nice last minute increase with convention registrations. Looks like overall convention registration will be slightly better than last year's. The additional revenue will help. Once past the convention we will probably see income lows with an increase at the end of the year.

VFP recently received two grants. One from Craig Newmark (Craig's list) for \$50,000 and one from Climate Emergency Fund (CEF) for \$40,000. \$40,000 from Craig's grant went into our savings and \$10,000 went into our checking account. From the \$40,000 we received from CEF, \$15,000 went into our checking account with \$5,000 set aside for a PR consultant and \$20,000 reserved to support chapter actions around the climate crisis. Without those two unforeseen grants our checking account would now be negative -\$1,500 and our savings account would be \$1,000. Other grants have come in and I believe Garrett will cover them. These three are ones we solicited.

History - How we got here

It is worth noting that it wasn't just one person or just one event that got us here. Mistakes were made by many people over many years.

Over the years, beyond just the last three, VFP has consistently overestimated income and underestimated expenses. For the years of 2019, 2020 and 2021

VFP overspent \$238,000. The only reason we were able to keep the doors opened and the lights on was because we had money set aside in savings. But over a three year period our saving went from ~\$168,000 to \$1,000, so that cushion is gone. We have \$40,000 in our savings now thanks to the grant from Craig, but that is barely enough to get us through one month. It is important to note that VFP's monthly expenditures are ~ \$40,000. Some months much more.

No Treasurer - Garrett became the new Executive Director mid 2019. At the first board meeting of 2020 the treasurer stepped down, which had nothing to do with Garrett, but probably more about the poor condition of VFP finances after years of neglect. Since then there hasn't been a full time, focused treasurer. Garrett had to basically become the Treasurer and the Executive Director without much support or oversight.

During 2020 and 2021 the Executive Committee did not closely monitor VFP finances, nor did the board. During that period the Finance and Fundraising Committee (F&F Committee) was not fully functional and did not meet regularly. Fiduciary obligations by the board and Executive Committee were not followed. Perhaps because the board was distracted by other issues.

Two full time staff members were added during a period when we were consistently overspending and drawing down our savings. Looking back this seems like a bad idea, but as they say, hindsight is 20/20.

Board approved a budget without thorough review and consideration. The board approved a budget in 2020 that was greater than the 2019 budget even though the 2019 year ended in a deficit of \$146,000.

Moving forward

F&F Committee revised the budget (6-22) and presented it to the Executive Committee, which was approved by the board in July. The revision cut \$100,000 from budget to bring expenditures closer to total revenues for 2021, which was \$485,000.

The F&F Committee developed 8 recommendations so we could closely monitor our budget. Those recommendations were approved by the Executive Committee and later approved by board. The F&F Committee will ensure that those recommendations are being followed. But additional cuts will likely be needed.

Newsletter - reduced from 3/year to 2/year. The last one will be used for end of year appeal.

Improved communication between F&F Committee, the Executive Committee and the board.

Rebuilding savings is now a priority of the F&F Committee.

Added Mike Ferner to the F&F Committee.

Building membership - How do we know what works and what doesn't? Survey newest members to determine why they joined. Who contacted them and are they active in VFP? Did they join a chapter? Did that chapter reach out and welcome them? No close chapter, do they know about VFP National Projects?

Fundraising

Increase grant writing. We received two grants so far, and are now working on the third one.

The F&F Committee recognizes that cutting the budget is only part of the solution. We also need to increase revenues.

Store reboot - New merchandise which might bring in some additional revenue and also help get our brand out there.

Regularly remind members through our E-News and convention ads about legacy giving and recurring donations. Search our membership for people that might have grant writing experience.

Raise dues \$10.00.

Mike Ferner is working with Ralph Nader and they have discussed GivingPledge as a group of potential donors, but as is the case with all grant requests, you first need to establish a contact. That takes time and effort. Staff or board assistance is needed to help find those contacts.

Setting monthly board goals and improve board participation
Chapter Surveys - Strengthen the connections between VFP National and chapters. Perhaps chapters will follow the lead of the Monterey and Boston Chapters and make donations to National.

Donor calls - Continue making calls to past donors asking for their ongoing support.

Pond Foundation challenge grant - Ken Mayers will explain.

Engage Advisory board - Seek their help with fundraising and spreading the word about the good work VFP is doing.

The F&F Committee has had their hands full and really had to hit the ground running from the beginning of the year. Fortunately we have dedicated members committed to getting VFP back on solid ground. I want to thank Ken Mayers, Paul Cox, Mike Ferner, and Louis Raprager. And I want to thank Garrett for being so responsive to our many questions and inquiries. None of our problems are insurmountable.