

MICHIGAN STATE BAR FOUNDATION

2023-2024 Budget

Approved 9/13/2023

	2022-2023 Budget	2022-2023 Projected Actuals	2023-2024 Budget
REVENUE			
IOLTA (Net of Service Charges)	1,656,994	6,900,000	7,600,000
Civil Justice System Access and Legal Self-Help	650,000	650,000	650,000
MSHDA Eviction Diversion Program	9,100,000	7,563,000	4,500,000
Filing Fees	55,000	35,358	55,000
Fellows and Other Memberships	25,000	52,000	36,250
Special Funds and Fundraising Support	95,000	97,000	95,000
ATJ Fund Contributions	1,355,549	1,315,000	1,375,000
MDHHS - Social Security Disability	325,000	325,000	325,000
Memorials, Tributes, and Contributions	250	6,332	-
Interest and Dividends	226,000	429,560	430,000
TOTAL REVENUES	13,488,793	17,373,250	15,066,250
ADMINISTRATIVE EXPENDITURES			
Personnel	694,130	675,192	747,274
Employee Taxes and Benefits	196,521	180,242	209,237
Accounting Fees	30,000	28,317	35,400
Legal Fees and Filing Fees	3,000	415	3,000
Other Professional Fees	3,000	101,772	60,000
Postage and Printing	8,832	7,200	4,015
Rent	41,507	41,342	43,562
Insurance	12,000	14,304	15,000
Telephone	4,595	5,700	6,360
Meetings, Conferences, Travel, and Training	44,965	32,400	60,000
Dues, Subscriptions, and Publications	12,655	11,000	13,730
Supplies	6,000	3,000	2,500
Program Evaluation and Support	21,562	4,000	90,000
Maintenance and Technology Services	49,450	70,000	75,000
Miscellaneous	5,020	(3,903)	-
Interest and Service Charges	28,925	19,000	22,670
Depreciation	7,000	9,794	5,712
TOTAL ADMINISTRATIVE EXPENSES	1,169,162	1,199,775	1,393,460
NET REVENUES AFTER ADMIN EXPENSES	12,319,631	16,173,475	13,672,790
GRANTS			
Civil Legal Services Annual Grants	1,500,000	1,500,000	1,855,866
IOLTA - Administration of Justice	137,995	94,767	825,000
IOLTA - Race/Ethnic/Gender/ATJ Related	103,673	590,000	640,000
IOLTA - Supreme Court Historical Society	50,534	56,400	59,780
IOLTA - Grant Stabilization/Emergency Issues Fund	-	-	1,500,000
MDHHS - Social Security Disability	312,000	312,000	312,520
Civil Justice System Access Grants and Legal Self-Help Grants	650,000	650,000	650,000
ATJ Fund - Designated and Statewide Distribution	1,617,038	1,591,676	1,663,600
ATJ Fund - Grants (Designated Endowments)	100,000	81,131	124,000
MSHDA Eviction Diversion Program	9,010,000	7,473,000	4,410,000
Franck Fund	10,000	-	10,000
Special Grants	-	9,833	-
TOTAL GRANTS	13,491,240	12,358,807	12,050,766
NET REVENUES AFTER GRANTS	(1,171,609)	3,814,668	1,622,024
CAPITAL EXPENDITURES DETAIL			
TOTAL CAPITAL EXPENDITURES	20,000	15,998	9,000
Net Revenue Over Expense	(1,191,609)	3,798,670	1,613,024

MICHIGAN STATE BAR FOUNDATION

2023-2024 BUDGET

MICHIGAN STATE BAR FOUNDATION		
REVENUES		
SOURCE		EXPLANATION
	2023-2024 Budget	
IOLTA	7,600,000	IOLTA receipts increased significantly in May, June and July. We are budgeting conservatively for the upcoming year based on average receipts for the months of January through June, 2023. 10% is allocated for gender/races/ethnic/ATJ related issues and 5% for the Michigan Supreme Court Historical Society (with a maximum distribution of \$50,000 plus inflation).
Civil Justice System Access & Legal Self-Help	650,000	Revenue for Michigan Legal Help operations includes \$650,000 for FY22-23 including 600k from SCAO and 50k from SBM. We are projecting the same amounts for FY23-24.
MSHDA Eviction Diversion Program	4,500,000	MSBF administers federal funds received from MSHDA for the Eviction Diversion Program. We are anticipating 4.5 million additional dollars for calendar year 2024. MSBF may receive more than this amount but we are budgeting conservatively.
Filing Fees	55,000	The statutory allocation for the Foundation's annual reimbursement for costs in performing its functions relating to P.A. 189 of 1993 is 1% of the legal services portion of the funds. This estimate is based on current year and projected next year revenue.
Fellows and Other Memberships	36,250	Fellows income budget for 2023-2024 is based on historical averages of prior year actuals.
Special Funds and Fundraising Support	95,000	75k from SBM for fundraising support and LJAP donations around 20k.
Access to Justice Fund	1,375,000	The budget for donations for 2023-2024 assumes donations similar to prior years with a slight increase from increased campaign efforts.
MDHHS - Social Security Disability	325,000	This contract is expected to be renewed in 2023-2024.
Interest and Dividends on Invested Funds	430,000	The budget projection is based on current year revenue.
TOTAL	15,066,250	

**MICHIGAN STATE BAR FOUNDATION
ADMINISTRATIVE EXPENSES**

TYPE	EXPLANATION	
	2023-2024 Budget	
Personnel	747,274	2023-2024 budgeted salaries and wages include the current positions of Executive Director, Chief Financial Officer, Development Manager, Program Coordinator, Development Associate, IOLTA Manager, and Communications Manager. The 2023-2024 budget includes salary adjustments based primarily on 5-6% increases to most employees and a larger increase in one position. Any actual salary and benefits will be set later per our compensation policy. This amount also includes approximately \$6,300 for an intern to help with data entry. Taxes and benefits are based on 28% of salaries.
Salaries & Wages Taxes & Benefits	209,237	
Accounting Fees	35,400	This estimate is based on 2022-2023 numbers.
Legal Fees and Filing Fees	3,000	This is a contingent category based on the possible need for legal advice or services. In the past the Foundation has utilized the services of a law firm for advice regarding such matters as personnel questions, the Foundation's charitable solicitations registration, the ATJ Fund, and planned giving. This figure is also warranted in light of MSBF's D & O Policy deductible of \$2,500 per occurrence and general liability policy deductible of \$500 per occurrence.
Other Professional Fees	60,000	FY 2023-2024 includes upgrades to our IMS IOLTA database and possible additional consulting fees for the IOLTA compliance program. Also includes some transitional finance support.
Postage and Printing	4,015	Projection is based on 2022-2023 numbers.
Rent	43,562	A new lease agreement with annual adjustments based on annual CPI changes started Sept. 30, 2021. The budgeted amount for 2023-2024 is based on a maximum rate increase of 5%.
Insurance	15,000	This amount includes D & O Insurance, General Liability and Cyber Security insurance.
Telephone	6,360	Projection is based on 2022-2023 numbers.
Meetings, Conferences, Travel, and Training	60,000	This projection is based on 2022-2023 projected actuals with an additional increase of \$15,000 for increased travel and events. This also includes trainings, conference registrations, conference travel and travel related to the ATJ Campaign.
Dues, Subscriptions, & Publications	13,730	This includes membership in Michigan Bankers Association (MBA), National Association of IOLTA Programs, Council of Michigan Foundations, and other similar entities.
Supplies	2,500	These costs include stationery/envelopes and computer/word processing supplies, brochures, flyers and other items, including hardware and software which would be capitalized, but are expensed pursuant to Board policy of expensing items below \$1,000. In 2021-2022 new monitors, computer docking stations, headsets, and desks were purchased and expensed with each item below \$1000.
Program Evaluation and Support	90,000	Program evaluation and support costs help assure accountability and effectiveness for annual legal services and other grants. We anticipate the projected actual for 22/23 to be higher, but are waiting for invoices from peer reviewers. Smaller technical assistance funds can often strengthen larger grant investments. This includes some implementation costs for assesment recommendations and other needed support. One on-site visit was conducted in 2022-2023 and we are anticipating a larger assessment and planning process for triage/referral/CALL in 2023-2024.
Maintenance & Technology Services	75,000	This includes hardware and software maintenance contracts, including IMS costs, Raisers Edge costs and online grant management system. This also included IT support and migration from a network to Office 365. We also included an additional \$5,000 for software upgrades.
Interest and Service Charges	22,670	The monthly service charge on the JPMorgan Chase checking account is \$25 per month plus charges for any EFT transfers. Credit card processing by Blackbaud for Fellows payments is 3.06% This category also includes Vanguard investment account service charges.
Depreciation	5,712	Based on Future Depreciaiton report from Fixed Asset software.
TOTAL ADMIN. EXPENSES	1,393,460	

MICHIGAN STATE BAR FOUNDATION GRANT EXPENDITURES		
TYPE	EXPLANATION	
	2023-2024 Budget	
IOLTA Civil Legal Services (70%)	1,855,866	FY 2023-2024 is calculated based on anticipated revenue increases for FY 22/23, establishing a minimum grant amount for programs and including approximately a 10% increase to programs. In 22/23, the grants were paid for using 810k from IOLTA, 490k from MSBF general fund revenue and 200k from ATJ investment earnings.
Administration of Justice (15%)	825,000	This amount is estimated based on a projected 15% of net IOLTA revenue and will also include 2% of ATJ revenues from calendar year 2022.
Race/Ethnic (10%)	640,000	This amount is estimated based on a projected 10% of net IOLTA revenue.
Supreme Court Historical Society (5%)	59,780	This amount includes funds payable to the Michigan Supreme Court Historical Society. An Administrative Order entered in 2021, capped their annual amount at the higher of 5% or \$50,000 plus annual increased based on inflation.
IOLTA - Grant Stabilization/Emergency Issues Fund	1,500,000	There is a great deal of uncertainty around ongoing funding for civil legal aid. This is a proposed amount to set aside to meet emerging needs or possible funding cuts. Will create a policy for this reserve amount for board approval.
MDHHS - Social Security Disability	312,520	The FY 2023-2024 budgeted amount is the amount of grants to programs, after subtracting out a 4% administrative fee for MSBF.
Civil Justice System Access and Legal Self-Help	650,000	Legal Self-Help funds are specifically designated for support of the Michigan Legal Help website and self-help centers. This includes expenditures for Michigan Legal Help operations in projected amounts of \$650,000 for FY 2022-2023 and \$650,000 for FY 2023-2024 from funds received for that purpose.
ATJ Fund - Designated and Statewide Distribution	1,663,600	The ATJ Campaign is a centralized effort and 100% of funds raised for operations are distributed to the legal aid organizations participating in the campaign. This budget amount includes ATJ fund revenues plus \$288,600 of excess cy pres awards. We anticipate giving that out to the programs in the FY23/24 fiscal year.
ATJ Fund - Grants (Designated Endowments)	124,000	This amount is based on the assumption that all programs eligible for an endowment distribution of up to 5%, elect to receive their distribution.
MSHDA Eviction Diversion Program Program	4,410,000	MSBF administers federal funding through MSHDA and we are expecting an additional 4.5 million through 9/30/24. We have a current contract for 16 million dollars that will be expended during the first quarter of the 23/24 year.
Franck Fund	10,000	The Michael Franck Fund for Professional Responsibility was established in June, 1994. This is an estimate of potential grants awarded.
TOTAL GRANTS	12,050,766	An additional \$5.4 million in 2022 Filing Fees grants was processed by the Foundation but are not shown because the State Treasury writes these checks directly to the grantees upon request from MSBF. MSBF expenses for administering this grant and reporting process are included in this budget.

MICHIGAN STATE BAR FOUNDATION CAPITAL EXPENDITURES		
TYPE	EXPLANATION	
	2023-2024 Budget	
Computer Hardware	9,000	Purchasing 3 laptops in 2023-2024
Software	0	No planned software purchases are expected in 2023-2024.
TOTAL CAPITAL EXPENDITURES	9,000	