



APPROVED 2021 BUDGET

FREQUENTLY ASKED QUESTIONS

1. Why does this budget look so different from previous budgets?

A budget is more than just a financial accountability document. It's also a communications tool. So, we've updated our budget format to convey at-a-glance our mission and priorities: **Advocacy, Education, Resources**. We hope it clearly shows where our resources are coming from and how we are investing them in support of the Queer/LGBTQIA2s+ community.

2. Why is Harmony presenting a deficit budget?

Harmony received a significant amount of contributions late in 2020 and has committed to investing these funds in new and newly revamped programs in 2021. Given our cash balance going into 2021, we feel comfortable recommending a budget with a small deficit.

Our approach is to estimate our income conservatively, and to try to provide adequately for upcoming expenditures. We feel that our income budget is conservative given the tremendous response, support, and growth the organization experienced in 2020. It's possible we will receive more income than budgeted, and/or spend less than budgeted.

3. Why is Administrative Support such a large percentage of the budget?

We recognize that, as a percentage of our total budget, Administrative Support looks outsized. This is primarily a function of the organization's current size. We are in growth mode and are proud that due to significant support from members and contributors, our 2021 budget plans more spending on Advocacy, Education, and Resources than ever before!

With our Admin Support budget, we are laying a solid foundation for continued mission and growth. As we grow, the Board is committed to making sure this category decreases as a percentage of our total budget.

4. Why are Audit Fees in the budget? Why is the amount so large?

Harmony highly values transparency and accountability and having a financial audit will help to assure that for our members, partners, and contributors. Additionally, we are looking into applying for grant funds in order to provide more funding for our core programs – Advocacy, Education, Resources. Most grant funders require audited financial statements before consideration of a grant request.

As to the cost, we selected a reputable audit firm in the Kansas City, Missouri, USA area after interviewing three firms. The engagement letter from that firm states that the audit cost will not exceed \$4,500 so this is the number included in the budget as the maximum cost. We know that first year audits can be more expensive than subsequent years so this cost may decrease in future years.

5. What is the intention for the Legal Fees budget?

The main reason for budgeting a significant amount for Legal Fees is the anticipated cost to restructure the organization's bylaws this year as well as the possibility of adjusting our status with the State of Missouri. Currently we are operating as GALA dba (doing business as) Harmony. We are researching whether this is the best organizational structure for us moving forward.

6. What Insurance is included in the budget?

In 2018, Harmony began carrying insurance for the first time in our history. This is a best practice and protects the organization, the board of directors and our members and volunteers conducting official Harmony business. The coverage is standard for most non-profit organizations and covers items like loss property, liability, supplemental medical expenses, damage to property we rent, and abuse and molestation.