

# Memo

**To: Friends of “Meals on Wheels”**

**From: Alma Moore – Volunteer Coordinator**

As you all probably know by now, the City of Birmingham passed their 2010 budget without any funding to most non-profits. We have been receiving approximately \$40,000 in appropriation money from the city each year. They have pledged to re-look at their situation mid-year and hopefully restore at least partial funding to some of the non-profits that serve the citizens of Birmingham. Since the amount that we have to raise each year in local funds is about \$400,000, this loss of about 10% of that money is a major blow. (By the way, about half of our clients live in the City of Birmingham)

To further impact our financial situation, the City of Birmingham has now decided to require non-profit agencies to purchase a city business license and they are going to charge us the same rate as a for profit business. Basically, this means they will charge a percentage of all revenues(donations) received by Meals on Wheels. If they do not change this ruling we will be required to pay about \$13,000 a year for a business license. Most municipalities charge non-profits a flat fee of about \$50-\$250 a year. We are waiting on the final word about this situation. The Alabama Association of Nonprofits is involved in discussions with the city about this and we hope to hear something soon. There was an article in the Birmingham Business Journal this past week about the license fees.

Finally, as many of you know, we ask our clients for a donation to apply to the cost of their food. The most we ask of any client is \$2.75 per meal (even though our actual cost to deliver one meal is about \$5.00) which averages out to about \$60.00 a month. At this time, about 10% of our clients pay the full amount each month. Approximately 70% of our clients pay something for their meals but most of that 70% pay under \$20.00 a month. To put this in more concrete terms, in our Fiscal Year 06 (ended 9/30/06) we collected a little under \$220,000 from our clients. This meant we had to solicit donations of about \$180,000 from other sources. In FY 09 (ended 9/30/09), we collected right under \$175,000 from our clients so we had to solicit private donations of about \$225,000. This year appears to remain on track for client donations of about \$160,000, which is the trend we've seen each year of about a \$15,000-\$20,000 decrease in client donations annually.

So, with all this said, we intend to do whatever is necessary to continue this program and serve the senior citizens of Jefferson County. **If you know of any individuals or groups who would like to make donations, or volunteer to deliver meals, please give them our info.** Donations can be made through our website (“DONATE NOW” button is on the site) or directly to our office, and all donations are tax deductible.

Thank you to everyone for all you do for Meals on Wheels. We certainly could not touch this many lives without the dedicated effort of such a wonderful volunteer force.

**Alma Moore**

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Volunteer Coordinator – Meals on Wheels

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