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## ELi?s Expenses Ran High in Third Quarter, But We Don't Want Your Money (Yet) <sup>[1]</sup>

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**By:**

Alice Dreger, Publisher



East Lansing Info (ELi) is a nonprofit public service news organization dedicated to reporting on East Lansing. We are a federally-recognized 501(c)3 nonprofit corporation, and we run entirely on reader donations. All this year, we've been bringing you transparency reports on ELi?s expenses so that you can see where donated dollars are going.

Today, I bring you a report on ELi?s third-quarter expenses, which were up considerably compared to the first half of the year. From January through June, our expenses came to about \$5,900 per month. (You can read reports on ELi?s expenses and activities for January <sup>[2]</sup>, February <sup>[3]</sup>, March <sup>[4]</sup>, April <sup>[5]</sup>, May <sup>[6]</sup>, and June <sup>[7]</sup>.) In our third quarter, our expenses came to \$27,902, or about \$9,300 per month.

Because we do our major fundraising at the end of the year, this is always the time of the year when we are running low on funds. But the increased expenses have exacerbated the financial stress typical as we come into the last quarter of 2018.

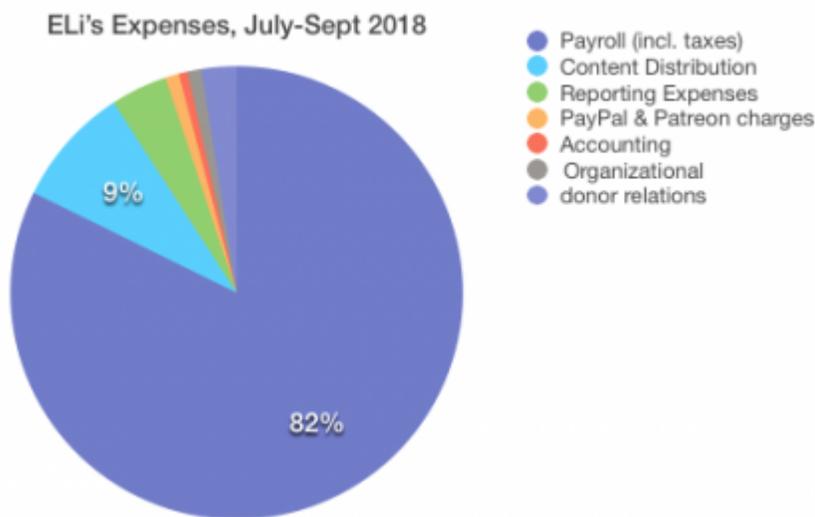
What's kept us afloat is having saved up funds in the bank and having a number of people step up and send in checks and credit card donations. (Thank you!)

Right now, ELi has about \$10,000 in the bank. I'm going to explain to you in a moment why, if you are feeling the urge to send us a big donation right now, **I want you to hold off on donating or joining as a monthly supporter until November 1.**

First, let's run the numbers, and let me tell you what our amazing reporting staff did for you from July 1 through September 30.

### Expenses in the third quarter:

ELi consistently puts about 83-86% of its monthly expenses to **payroll** ? paying local people for bringing East Lansing the news. This quarter was no different, as you can see from the pie chart below. In the third quarter, we paid 25 local people for reporting, tech management (primarily website stability and security [8]), editing, and developing the skills of our youth journalists. Several more people provided their services voluntarily (as I do).



You might think that, since we don't print the news on paper, we would have no **content distribution** costs. But we have to pay A2Hosting [9] for our server space ? which is now pretty large, because we have so much in the archives ? and we have to pay Facebook for ?boosts? [10] if we want to get news alerts out to the approximately 52% of ELi readers who access our service via Facebook.

What falls under **reporting expenses**? Those are costs incurred in *obtaining* information. In the third-quarter, that included expenses for surveying voters, obtaining copies of documents from the Ingham County Register of Deeds and the Clinton County District Court, a subscription to the Lansing State Journal, plus a new computer for our Managing Editor, Ann Nichols. (Ann has worked as the lead manager for ELi's reporting staff for four years, and her old computer, which predated this position, was at risk of imminent death.)

**PayPal and Patreon charges** are service fees we pay for donors who contribute to ELi via credit cards, and the **accounting expenses** are to pay Layton & Richardson for handling our pretty complicated payroll, including handling our withholdings filings.

#### ELi's Expenses / Third Quarter 2018

CATEGORY	AMOUNT
Payroll (incl. taxes)	22,955
Content Distribution	2,395
Reporting Expenses	1,128
PayPal & Patreon charges	272
Accounting	180
Organizational	270
donor relations	701
Total	27,902

The category we're calling **organizational** includes our \$20 to the State of Michigan for our annual nonprofit corporation filing, \$95 for me to attend the annual meeting of LION Publishers <sup>[11]</sup> next week, and \$155 for our annual membership dues to the Institute for Nonprofit News <sup>[12]</sup> (INN). LION provides us professional support as a local independent online news publisher, and INN provides outstanding support in terms of things like legal issues, fundraising, and dealing with the challenges of Facebook.

That last category, **donor relations**, includes materials for communicating with donors (stationery, envelopes, postcards, postage) and, this quarter, included a new batch of ELi t-shirts from RetroDuck, which we'll be sharing as we come into the year-end fundraising. (We also now are offering a free t-shirt as a reward to anyone who sends us in a factual correction!)

#### So why did costs go up?

Part of what caused expenses to spike in the third quarter of 2018 was simply that a number of annual or one-time expenses hit then. That included, for example, paying for our server space, our INN membership, and the new computer.

But the biggest reason for the expense spike was our annual joy ? ELi's Summer Youth Journalism Program <sup>[13]</sup>. We had eight ELHS students participate this year, taught by our Program Director, Cody Harrell. We paid Cody (half of what we paid him last year, because last year he had to invent the whole curriculum from scratch and organize the entire approach) and we paid the students an educational stipend plus the standard rates for reporting of theirs that we published.



A number of those students then went on to do more reporting for us, beyond their program-related reports. For example, Noa Kuszai <sup>[14]</sup> reported on the school board candidate forum, James Hosey <sup>[15]</sup> reported for us on Flockey, and Somer Sodeman <sup>[16]</sup> reported on the Trojan Marching Band. So, after the Summer Youth Program was over, it (happily) continued to increase our payroll costs over what we had in the first half of the year.

We also picked up regular Trojan Football reporting from Mark Meyer <sup>[17]</sup>, took on a great new Government reporter, Dan Totzkay <sup>[18]</sup>, and upped the level of reporting overall.

When reporting quantity goes up, so do other expenses, like content distribution, because we have to pay Facebook for more boosts. Tech management costs are also rising at the moment because we are preparing for a necessary major upgrade for our content management software. You won't see the upgrade, if everything goes right, but it is no small matter. I'm working with our tech managers, Lisa Lees and Morgan Lees, to see ELi's content to the next stable stage.

I expect that in October, monthly expenses will drop back down closer to the average for the first half of the year ? closer to \$6,000.

### **What did we do for you this quarter?**

The ELi reporting team produced about 200 individual articles about happenings in East Lansing in July, August, and September.

That includes work from Andrew Barsom, Thomas Baumann, Gary Beaudoin, Evan Dempsey, Kepler Domurat-Sousa, Casandra Eriksen, Paige Filice, Andrew Graham, Jessy Gregg, Alex Hosey, James Hosey, Ann Kammerer, Noa Kuszai, Mark Meyer, Charlie Meyers, Thao Nguyen, Ann Nichols, Chris Root, Somer Sodeman, Aron Sousa, Sarah Spohn, Dan Totzkay, Lucas Walters, Christopher Wardell, Karessa Wheeler, and me. The team that won the 2018 Crystal Award for local community service just keeps growing!



Here are just some of the stories we covered for you like nobody else in July, August, and September:

- the income tax vote and implementation
- the upcoming school board election
- reconstruction of East Lansing infrastructure and elementary schools
- financial decisions by City Council and the School Board
- fallout from the federal lawsuit over the retaining wall on Abbot Road
- Center City District construction, and its costs, goals, issues, and effects
- the Park District saga
- debates about parking ? in ramps, on streets, and in neighborhood-adjacent shopping centers
- the pension problem
- ELPD?s handling of threats, crimes, and community relations
- Parks & Rec, including trail reconstruction
- generous local acts, including fundraisers

We also covered entertainment opportunities, including places to bike, MSU garden concerts, Ten Pound Fiddle, gallery shows, Summer Solstice Jazz, the FRIB open house, Touch a Truck, Broad ArtLab, East Lansing Homecoming. Then there were stories of individual struggles ? the

driveway drama in Bailey, College Hunks? local franchise trying to move here, Council?s debates over two members? leaves of absence ? and of changes afoot, like electric rental scooters and Blue Owl?s plans to open downtown. And we had profiles of good people and kind acts.

In addition to all that, Val Thonger and Ken Sperber kept the ELi calendar <sup>[19]</sup> populated with important and enjoyable events, handling incoming requests on that, and Roz Arch produced our weekly emailed newsletter <sup>[20]</sup>.

### **So why do I want you to hold off sending money until November 1?**

If you?re signed up as a monthly donor by check, PayPal, or Patreon, we *do* need you to leave that steady support of ELi in place. Those predictable monthly funds are going to get us through this financial low point.

But if you are thinking of soon making a lump contribution or signing up as a new monthly donor, I want you to hold off until November 1. That?s because we are working on a special matching campaign that will match individual lump donations and also new monthly subscriptions between November 1 and December 31.

I promise I?ll tell you more about that matching campaign soon. **(Update: here's the matching campaign info!)** <sup>[21]</sup>

For now, you can show the ELi team your love by thanking a reporter in person, on social media, or through our contact link <sup>[22]</sup>. (We will be sure to send on specific thanks to specific reporters!)

And we thank *you* for helping us bring East Lansing the news. We could not do it without the commitment this community has made to this public service. Thank you.

**Update: here's the matching campaign info!** <sup>[21]</sup>

#### **Related Categories:**

Your ELi <sup>[23]</sup>

Community <sup>[24]</sup>

## **ELi is a member of INN and LION Publishers**



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