

## Interim Meeting Report: Apportionment Subcommittee Issues and Plan

The Apportionment Subcommittee of the Stewardship and Finance Committee was established at the March 2016 Interim Meeting, in response to a growing number of monthly meetings which have expressed difficulty in paying, or unwillingness to pay, the full amount calculated by the apportionment formula. The reasons are varied, and all deserve consideration.

The members of the Subcommittee are Lee Henkel (Floyd), Paul Phillips (Stony Run), Rick Post (Langley Hill), and Wil Stratton (Maury River), with Paul Jacob (Alexandria) and S&F Clerk Jim Lynn (Sandy Spring) also participating.

The Subcommittee's assignment is to review the current formula in light of issues raised by monthly meetings as well as issues identified by Subcommittee members. If there are changes made to the current formula, they should result in a formula which will be seen as more reasonable and fair than the current one. The process of evaluation will be conducted in a transparent fashion.

The Subcommittee has just finished an exercise to rank the eight issues which have come to its attention. They are, in priority order:

**Weight given to the number of households contributing more than \$100:** does this work as the formula intended, which was to have larger and financially stronger meetings carry a larger share of the cost than smaller and less well-off meetings? If not, can it be "fixed"? Or should it be dropped?

**Percentage of a monthly meeting's budget devoted to apportionment:** should there be a cap on this? If so, should it be variable, i.e., higher for larger and financially stronger and lower for smaller meetings?

**Costs of meeting space:** given that all meetings must have a place to gather, and a space which is publicly identified with a monthly meeting facilitates visibility, should consideration be given to the cost of acquiring such space? If so, should such consideration be the loan principal or should it also include interest? If building acquisition costs are considered, should this be extended to rental costs?

**25% annual cap on increases and decreases in a monthly meeting's apportionment:** what function was this intended to serve, and is it doing so? Should the percentage be higher, lower, or should it be dropped?

**Some monthly meetings are caring for more than one meeting house and or burial ground:** can we, and should we, consider this in the apportionment formula?

**Restricted donations, bequests, and investments:** which meetings have these, and for what purposes are they designated? Is income being excluded from the apportionment calculation in ways not anticipated by the yearly meeting when the formula was established?

**Space rental and other ancillary income:** this has been excluded from monthly meetings' income. Should this practice be maintained, or should this income be included?

**Capital gains and losses:** the instructions on the apportionment form stated, until very recently, that capital gains were to be reported. When this was flagged by a monthly meeting, a quick analysis suggested that they should have been excluded, because the formula is incapable of handling capital losses. For this year, the meeting in question was directed to exclude capital gains. Is this what we want to do going forward?

Some of these, including the top two items, require no information beyond what the Apportionment Subcommittee has so they will move to the analysis stage immediately. Others (space costs, multiple properties, etc.) will require the collection of additional information from monthly meetings, and drafting a clear and complete survey which does not unduly burden meetings in providing information will take some time.

The Subcommittee intends to take all the time that is necessary to collect and obtain the necessary information, and to have any discussions that are needed with monthly meetings about their challenges with the current system and their concerns about any possible changes. All of the major documents the subcommittee uses will be posted on the BYM website, at [http://www.bym-rsf.org/what\\_we\\_do/committees/sandf/](http://www.bym-rsf.org/what_we_do/committees/sandf/) There are 16 documents there already, with more to come. Anyone who wants to ask questions or make suggestions can contact Lee Henkel at [LBrit@swva.net](mailto:LBrit@swva.net). All communications will be shared with the entire subcommittee.