

Formula for Calculating Apportionments

The apportionment formula has been revised periodically over the years as the Stewardship and Finance Committee exercised its dual role of preparing a responsible budget for the Yearly Meeting and of understanding the financial situation of constituent Monthly Meetings. Changes in the formula tend to emerge when a tension develops between the two.

In early 2016 the Committee began a review of the apportionment formula, prompted on this occasion by a number of Monthly Meetings stating that the amounts expected of them were unaffordable. In addition, for years there had been comments that the unpredictability of the apportionment amount made budgeting at the local level difficult, and that the formula was opaque.

The subcommittee tasked with the review process began with the goals of maintaining the ability to pay intent of the formula then in use, but of making changes that would address the affordability, predictability, and understandability issues. At the end of the process, the formula presented for approval eliminated several variables included in the previous formula. Other variables were considered for addition but were rejected as not necessary, as likely to add more complexity than necessary, or as adding the risk of unintended consequences. As it became clear that no formula could produce a result which worked in all cases, the Apportionment Subcommittee settled on a formula which it described as “one size fits most” and established a process where Monthly Meetings which felt that their apportionment was unaffordable could request a reduction.

The apportionment process begins with a total apportionment number. This is the line item in the budget which covers operating expenses not funded by fees (such as camps, programs, and Annual Session) or fundraising. Each Monthly Meeting reports annually its income for the previous year, and these individual numbers are totaled to calculate income for all Meetings. The formula for calculating the apportionment for each Meeting is quite simple: divide the Monthly Meeting’s income by the total for all Meetings, and then multiply that by the total apportionment to calculate each Meeting’s share of the total. If this were presented as a formula, it would look like this:

$$\frac{\text{Monthly Meeting A's Income}}{\text{Income of all Monthly Meetings}} \times \text{Total Apportionment} = \text{Meeting A's Apportionment}$$

This formula results in all Meetings being asked for the same percentage of their income towards the support of the Yearly Meeting. That percentage will vary from year to year, as the total apportionment number and the income of all Monthly Meetings changes over time.

Preliminary results are reviewed at the Stewardship and Finance meeting at March Interim Meeting, and are made public at apportionment meetings held in April, where requests for

adjustments are reviewed with the requesting Meetings. The Apportionment Subcommittee and the Stewardship and Finance Committee work with established guidelines in reviewing and approving or denying reduction requests. Guidelines were established to assure consistency in results over time, given that members rotate on and off the Stewardship and Finance Committee and the Apportionment Subcommittee.

In the interest of transparency, the review guidelines are available on the Stewardship and Finance page of the BYM website. In the interest of confidentiality, the financial information provided by Monthly Meetings in support of their request, and other financial information considered by the Subcommittee and the Committee, are not recorded in minutes but are retained in a separate file for reference in future years.

The Stewardship and Finance Committee must be careful to set a total apportionment number which is affordable when divided among Monthly Meetings. Once set, that number is fixed and cannot be reduced without making the budget unbalanced. Since any reduction for one Meeting requires that those dollars be added to the apportionments of others, Monthly Meetings are encouraged to consult extensively with Stewardship and Finance before making a reduction request.

The review cycle for this apportionment formula concluded at Annual Session in 2017. However, the world will continue to change, both for the Yearly Meeting and for Monthly Meetings. Nothing works well forever, and the budget and apportionment processes must evolve to meet new challenges and needs. The Stewardship and Finance Committee welcomes your ideas and suggestions for making our process simpler, clearer, more responsive, and more accurate. Please let us know how we can improve further.

August 2, 2018