

Guidelines on Apportionment

(Last Updated September 10, 2023 by the Stewardship & Finance Committee)

- [1. The Nature and Purpose of Apportionment](#)
- [2. The Apportionment Formula](#)
- [3. Apportionment Process and Schedule](#)
- [4. Determination of Income Subject to Apportionment](#)
- [5. Contributions](#)
- [6. Investment Income](#)
- [7. Bequests](#)
- [8. Rental Income](#)
- [9. Adjustments](#)

The Nature and Purpose of Apportionment

The vision of Baltimore Yearly Meeting as laid out in 2016 includes the affirmation that “Baltimore Yearly Meeting is a worshipping community....As Quakers, we seek to know and follow God’s will for us as a gathered people, to speak the truth that is revealed to us, and to listen to the truth that is revealed to others....We aspire to teach and nourish Quaker ways of worship and service for this and future generations, to uphold and promote Quaker values and to support Friends Meetings in our region.” To discern and accomplish the purpose of our joint community requires the financial support of the constituent Monthly Meetings.

BYM has income from several sources including program fees and contributions, but a critical part of the budget is the portion of BYM’s expenses that are shared by Monthly Meetings through the apportionment process. Apportionment is designed to equitably divide the Yearly Meeting’s expenses among the Monthly Meetings based on the relative income of the Monthly Meeting.

The Apportionment Formula

The formula used to calculate apportionment has been through several iterations. Starting in 2018, apportionment has been set at 25% of a Monthly Meeting’s income, with some income exempt from apportionment.

Apportionment Process and Schedule

On about February 1st of each year the Yearly Meeting sends to each Monthly Meeting an Apportionment Questionnaire requesting information on the meeting’s contribution and investment income subject to apportionment for the year just ended. The Monthly Meeting’s apportionment for the following year is set at 25% of that reported income. In the case of meetings which follow a fiscal year different from the calendar year, the meeting’s relevant fiscal year is the one that closes in the calendar year in question. (For example, the amount of

apportionment that a Monthly Meeting pays in 2021 is based on that meeting's income for 2019, or for the Monthly Meeting's fiscal year ending in 2019.)

Once the questionnaires have been received and reviewed by the Stewardship and Finance Committee, the total income from apportionment can be calculated and used by Stewardship and Finance to formulate the budget. The intent is that the list of apportionment from each Monthly Meeting and the budget should be available for review and approval at annual session.

Determination of income subject to apportionment

To ensure that apportionment is equitably shared by Monthly Meetings, it is important that there is a consistent determination as to what income is subject to apportionment. This is complicated by the variety of income received by Monthly Meetings, including investment income, rental income, bequests, and pass-through fund raising for outside organizations as well as general contributions.

These guidelines can assist Monthly Meetings in assessing whether income is subject to or exempt from apportionment:

Contributions

All undesignated contributions collected to support the work of the Monthly Meeting are to be considered for apportionment.

If a contribution is designated for an unbudgeted expense of a non-recurring nature that would not have been incurred if the donation had not been received (e.g., new cushions for benches) the contribution is exempt from apportionment.

If the contribution is designated as going to a designated building fund or burial ground maintenance fund, it is exempt from apportionment.

If the contribution is to a designated fundraising campaign for an organization outside of the Monthly Meeting (e.g., a fundraising collection solicited by a local food bank) it is considered a "pass through"; all of the contributions should be forwarded to the soliciting organization, and the contributions are exempt from apportionment.

Investment Income

Whether or not income from an investment fund is subject to apportionment depends on the purpose for which the fund was established.

If the investment was established with contributions that were exempt from apportionment (e.g., a building fund to provide for future capital improvements), any interest, dividend or capital gains income may also be exempt from apportionment.

If the investment fund is a general reserve account that can be used to pay for normal operating expenses, then the interest and dividend income is subject to apportionment. Interest and dividend income is subject to apportionment in the year it is paid even if the income is immediately reinvested in the fund. Capital gains in these funds are exempt from apportionment.

Bequests

Bequests are not included in the apportionment formula, but we do not want to preclude Monthly Meetings from donating a portion of undesignated bequests to the work of the Yearly Meeting. The Yearly Meeting would honor a request to restrict the donation to a particular purpose, such as a contribution to the camp capital fund, in line with the Monthly Meeting's understanding of the donor's interest.

Rental Income

Rental Income is not included in our apportionment formula, but we do not want to preclude Monthly Meetings from donating a portion of their profits to the work of our Yearly Meeting.

Adjustments

The apportionment formula is an attempt to advise Monthly Meetings of what their equitable share of support to the Yearly Meeting would be, based on the relative income of each meeting. Because the formula does not consider the details of each meeting's financial situation, it may not be realistic for all of our meetings.

Please let us know at the earliest opportunity if the proposed apportionment for next year does not speak to your condition.

We want our Monthly Meetings to contribute out of their abundance and not create unnecessary hardship. Keeping our Monthly Meetings open and available to the community they serve is important to all of us. We appreciate whatever you can contribute to our work together. Thank you.