

## **Apportionment Formula Continuing Review**

### March 2018

In mid-2017, as the Apportionment Subcommittee completed its review of the apportionment formula, it decided to bring forward a proposal for a new formula with changes it believed would be well received, and to defer a decision on two others. These were whether or not rental income net of expenses and fundraising income net of expenses should be considered income subject to apportionment.

A decision on rental income was deferred because the Subcommittee felt it needed additional information and time to consider it. The Subcommittee had not been aware that fundraising income was significant for a number of Monthly Meetings until very late in the review process, and that issue also needed more time and information before the Subcommittee was prepared to make a recommendation.

In November a survey about these two issues was sent to Clerks, Treasurers, and Clerks of Finance. The results are summarized at the end of this report.

As the Apportionment Subcommittee looked at the big picture, it appeared that there are only two Meetings, one with significant rental income and one with significant fundraising income, which would be materially affected by including net income from these sources in the base for apportionment. Including it would not increase the apportionment; it would just shift amounts from some Meetings to others.

The Apportionment Subcommittee is not fully in unity regarding how to proceed, thus we are not recommending any changes at this time.

#### **Rental Income:**

Survey responses were:

- 3 not returned
- 18 have no rental income
- 9 had less than \$1000
- 3 had between \$1,000 and \$5,000
- 2 had between \$5,000 and \$10,000
- 2 had between \$10,000 and \$15,000
- 2 had between \$15,000 and \$20,000
- 2 had over \$20,000

Only those Meetings with income over \$5,000 experience it as a significant portion of their income. For some, it helps pay a mortgage. Others have older buildings which can be expensive to maintain.

**Fundraising Income:**

Survey responses were:

- 3 not returned
- 3 did not provide an amount
- 22 had no fundraising income
- 5 had less than \$1,000
- 4 had \$1,000 - \$5,000
- 3 had \$5,000 - \$10,000
- 1 had more than \$10,000

Of the Meetings which completed this survey and which have fundraising income, the majority use the funds for charitable purposes. Only three have income which goes into their general fund, and for two of them those amounts are not large. Another designates its fundraising income for capital improvements.