

**Document: 700.17 (Corrected)**

**Name: Apportionment Formula**

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**CCFA Comment:**

Every local church shall provide the basis for their apportionment calculation with their Statistical Report, due annually by February 28<sup>th</sup>. The statistical report data of five years is compiled. The highest and lowest of the five years are discarded and the apportionment calculation rates are applied to the average of the three median years. When the most recent year is the lowest of the five (reflecting a trend of recent budget constriction), the apportionment calculation rates are applied to the average of the three lowest years.

**The Conference Apportionment is calculated by:**

1. The sum of these lines multiplied by **12%**:
  - Senior Pastor base compensation (minus equitable compensation funds received from the Annual Conference)
  - Associate Pastor base compensation
  - Senior & Associate Pastor Housing Allowance (OR 25% of base compensation for parsonage appointments) + Senior & Associate Pastor's parsonage utilities and maintenance costs
  - Accountable reimbursements
  - Other cash allowances
  - Deacon's compensation & benefits
  - Lay staff compensation & benefits (except custodial)
  - Church Program costs
  - Church building utilities, custodial costs, property maintenance costs, property insurance costs, other operational costs (Portion of utility, custodial and property costs incurred by space-sharing is excluded; utility, custodial and property costs per average attendee above the 80<sup>th</sup> percentile are excluded)
2. Added to the amount calculated above, the sum of these lines are multiplied by 1%:
  - Total funds sent through the Conference Office for second-mile, designated giving (Rainbow Covenant projects, missionary support, UMCOR disaster relief, Conference & District projects and Special Sunday Offerings)
  - Community Outreach funds (costs of the local church in ministry and of service to the community)
  - Funds given directly to UMC related causes
  - Funds given directly to non-UMC related causes
  - Clergy pension payments (CPP, CRSP)
  - Clergy health benefits payments
  - Senior & Associate Pastor Costs + Church Programs & Operational Costs
3. Additional Considerations

The apportionment calculations above are adjusted with two additional considerations called "According to Means" functions. These two functions provide fine tuning to the apportionment amount based upon a local church's access to resources from within the congregation.

  - a. The local church spending on cash compensation plus reimbursements and allowances for the Senior and Associate Pastor is compared to the spending of other local churches of like size. A linear regression of the data predicts a pastoral compensation level for each church given their average attendance. The amount above or below that prediction is called the "Pastoral Residual". For each local church their individual Pastoral Residual number, capped at the absolute number of \$20,000, is cubed and

multiplied by .000000001. The resultant adds (or subtracts) from the apportionment requested from the local church as summed above. The basis for the Pastor Residual additional consideration is the most recent Senior & Associate Pastor compensation data available and the most recent year's average attendance at all weekly worship services.

- b. The basis for the Budget Size additional consideration is the most recent year's Senior & Associate Pastor Costs plus Church Programs & Operational Costs, excluding \$60,000 and capped at \$900,000. For each local church the total is squared and multiplied by .00000004. This amount is added to the apportioned asking of the specific local church.

Limitations to the Conference Apportionment:

1. Each apportionment amount must be divisible by 12.
2. A circuit breaker, which limits variation of the conference apportionment for any year to not more than 9% above and not less than 9% below the previous year.
3. The minimum apportionment shall be \$1,200.
4. The CCFA may respond to appeals from local churches for hardship or data errors if the local church makes requests in the specified manner by the announced deadline.

### **General Church Apportionments**

The total sum of apportionments requested of the conference from the general church shall be apportioned on itemized lines to the local churches. Each local church's share of general church apportionments shall be the same as their share of Conference apportionments (and divisible by 12), as calculated by the above formula prior to application of the circuit breaker.