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Apportionment Formulas - General Church and Annual Conferences

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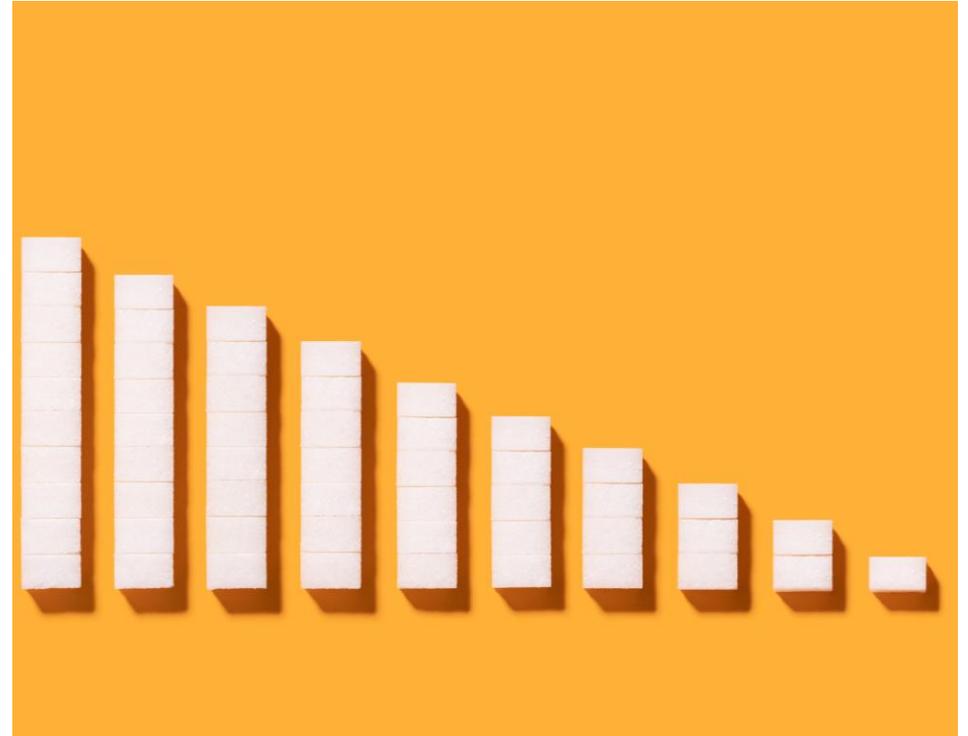
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Topics To Discuss

Topics To Discuss

- **What is the General Church Apportionment Formula? Where Can I find it?**
- **How to Calculate General Church Apportionments**
- **General Church Apportionment Trends**
- **Annual Conference Apportionment Formulas**



What is the General Church Apportionment Formula? Where Can I find it?



General Church Apportionment Formula

$$A = E \times P$$

A = Apportionments

E = Local Church Net Expenditures

P = Base Percentage (as approved by General Conference)

Multiply total Net Expenditures * Base Percentage Rate

What Churches are Included in Net Expenditures? =

- **Included: All Chartered churches (including Satellite/campus churches)**
- **Excluded:**
 - **Churches designated as Mission or New Church Start**
 - **Any church that has closed for any reason at the time of calculation**

Where Can I Find the Apportionment Formula?

GCFA's Report 8 to General Conference

- **Outlines the formula for both Jurisdictions and Central Conferences.**
- **Has a projection of net expenditures for the upcoming quadrennium.**
- **Sets the Base Percentage Rate for each year of the quadrennium.**

Where Can I Find the Apportionment Formula?

GCFA's Reports 1-7 to General Conference

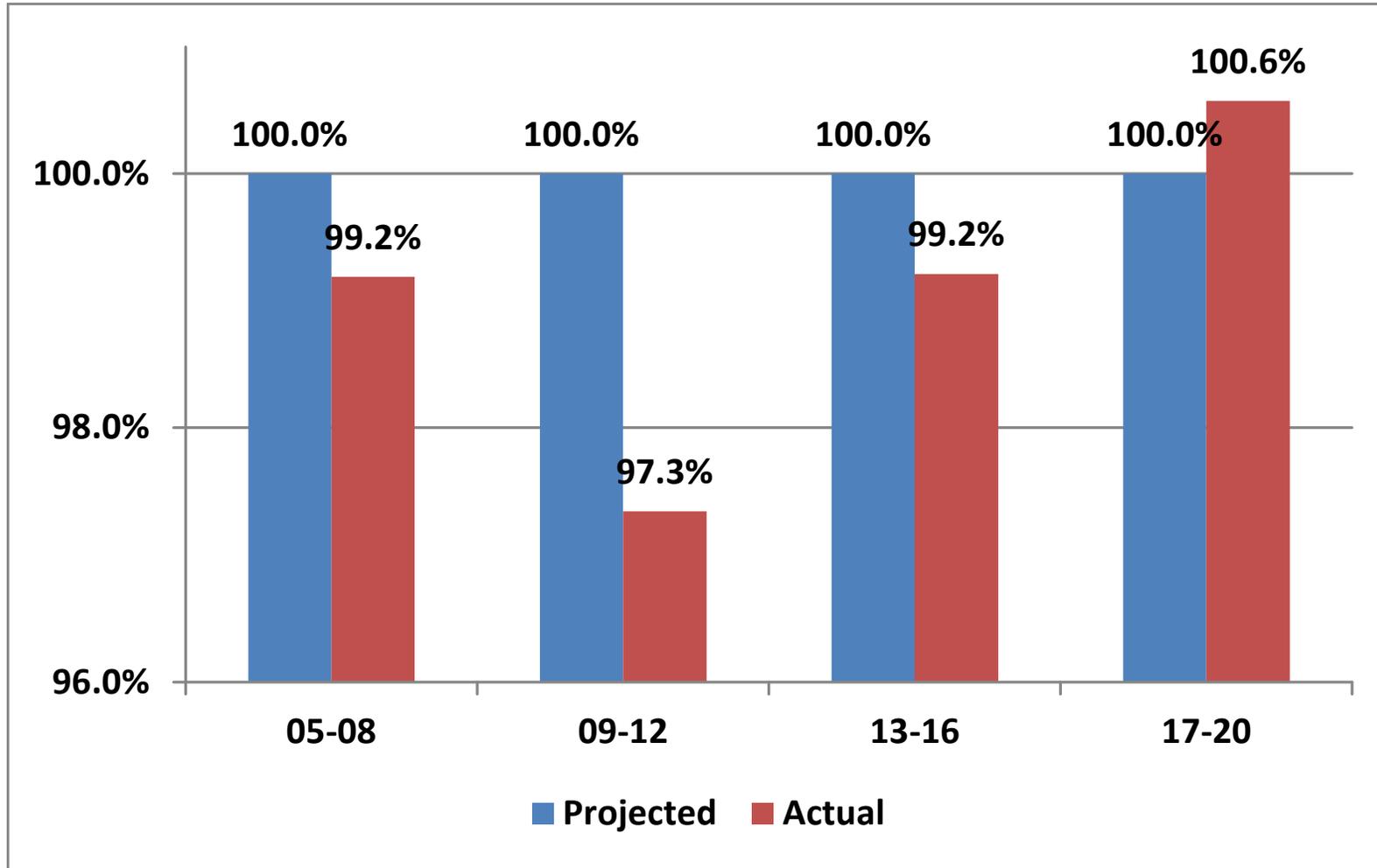
- Allocation of apportionment dollars between and within the 7 apportioned Funds

How are Net Expenditures Projected?

GCFA's Economic Advisory Committee (EAC)

- Committee is comprised of Economists, Clergy and Laypersons
- Uses a Structural Projection model that includes variables such as:
 - Historical Net Expenditures
 - Projections for Inflation and Gross Domestic Product
 - Average weekly worship attendance

Actual vs. Projected Net Expenditures



Due to the postponement of the 2020 General Conference, a formal Projection for 2021-2024 was never made.

Calculating General Church Apportionments



Calculating Conference Apportionments



Calculate the percentage of administrative expenses in the total Conference budget



Calculate the Conference Apportionments Paid by local churches to be included in Net Expenditures



Calculate the total Net Expenditures in Statistics minus the Administrative amounts



Multiply total Net Expenditures * Base Rate

Calculating Conference Apportionments

Step 1



Calculate the percentage of administrative expenses in the total Conference budget

The Percentage of Administrative Expenses removes any benevolences and programming costs from the apportionment paid by local churches to the Annual Conference.

Calculating Conference Apportionments

Step 1 Example

Conf Administrative Expense % = (Total Conf Budget - [Programming/Benevolences]) / Total Conf Budget

Conf. Administrative Expense % = (7,632,945 - (1,753,428 + 909,906 + 304,763)) / 7,632,945 = 61.11%

FUND 1 - World Missions	
World Service Apportionment	\$831,419
Black College Fund	\$112,014
Africa University	\$25,068
Episcopal Fund	\$246,217
Ministerial Education Fund - Gen Church	\$210,611
Interdenominational Cooperation Fund	\$21,962
General Administration Fund	\$98,724
Ministerial Education Fund - Conference	\$70,204
Total World Missions	\$1,616,219
Connectional Mission Share Fund 1	\$137,209
Total Mission Share Fund 1-World Missions	\$1,753,428

	2022 Budget
Total Conference Budget	\$7,632,945

	<i>Type A: Paid Based on Expenses</i>	2022 Approved Budget
1	I. Conference Benevolences	
2	Connectional Ministries	484,868
3	Hispanic/Latino Ministries	301,736
4	Arthur J. Moore Museum & Archives/History	119,302
5	Board of Laity	4,000
6	Total Conference Benevolences	909,906
7		
8	II. Congregational Development	
9	Congregational Development	304,763
10	Total Congregational Development	304,763

Calculating Conference Apportionments

Step 2



Calculate the Conference Apportionments Paid by local churches to be included in Net Expenditures

Multiply Apportionment Paid (APPPAID – Line 29) in the local church statistics by the Conference Administrative Expense Percentage calculated in Step 1.

Net Apportionment = apppaid * Conf Administrative Expense %

Calculating Conference Apportionments

Step 2



Calculate the Conference Apportionments Paid by local churches to be included in Net Expenditures

After calculating the Conference Administrative Expense Percentage, multiply that with Apportionment Paid (APPPAID) to determine the Net Apportionment value.

Net Apportionment is removing the benevolences/programming expenses from the conference budget in this calculation.

Net Apportionment = appaid * Conf Administrative Expense %
Net Apportionment = 5,226,018 * (0.6111) = 3,193,862

Question Code	Line No	Description	Current Total
APPPAID	29a	Amount PAID by the local church to the CONFERENCE for all apportioned causes	5226018

Calculating Conference Apportionments

Step 3



Calculate the total Net Expenditures in Statistics minus the Administrative amounts

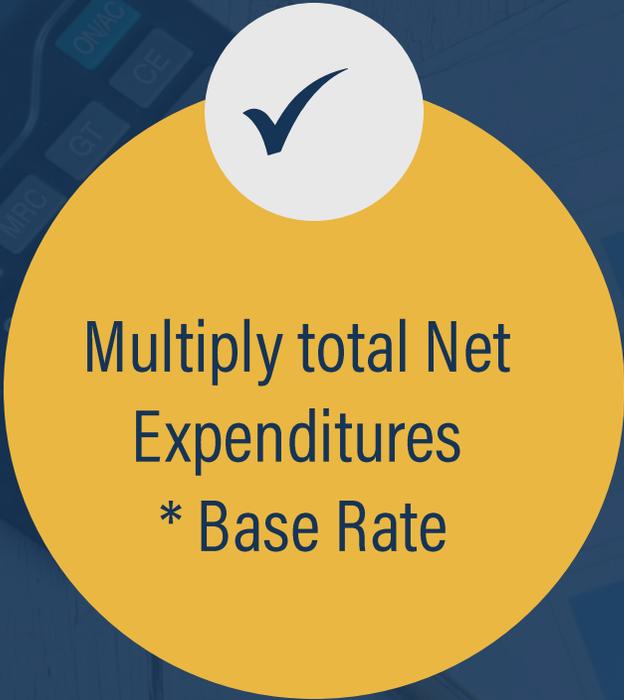
The Total Net Expenditure is the Net Apportionment, from Step 2, added with the expense lines gathered in ACStats questions listed in the table.

Total Net Expenditure = Net Apportionment + All fields in the table

Question Number	Question Name
29b	Distpaid (if applicable)
39	penbilled
40	hlthbilled
41a	compast
41b	compass
41c	deacomp
42a	pasthos
42b	asschous
42c	deachous
43	totremb
44	totcash
45	othcomp)
46	(progexp
47	operexp)

Calculating Conference Apportionments

Step 4



Multiply total Net
Expenditures
* Base Rate

The final part is calculating the overall Total Apportionments for your conference.

This is just a simple equation of multiplying the Total Net Expenditures, from Step 3, by the base rate percentage.

Total Apportionments = Total Net Expenditure * Base Rate Percentage

This will give you the final value needed for Total Conference Apportionments.

Calculating Conference

Step 4 Apportionments



Multiply total Net
Expenditures
* Base Rate

Total Apportionments = Total Net Expenditure * Base Rate Percentage

Total Apportionments = 52,151,546 * 0.026 = \$1,355,940

This will give you the final value for Total Conference Apportionments.

After you calculate your final Apportionment amount, please send to DataServices@GCFA.org, along with your conference budget and highlight which values you used to calculate the Net Expenditure Percentage.

This will allow us to confirm your apportionment number calculation.

Calculating Conference Apportionments

Step 4

Calculate Conference Administrative Expense Percentage of Annual Conference total budget



Conf Administrative Expense % = (Total Conf Budget - [Programming/Benevolences]) / Total Conf Budget



Calculate Net Apportionments of the Annual Conference Budget

Net Apportionment = appaid * Conf Administrative Expense %



Calculate the total Net Expenditures in Statistics minus the Administrative amounts

Total Net Expenditure = Net Apportionment + All fields in the table



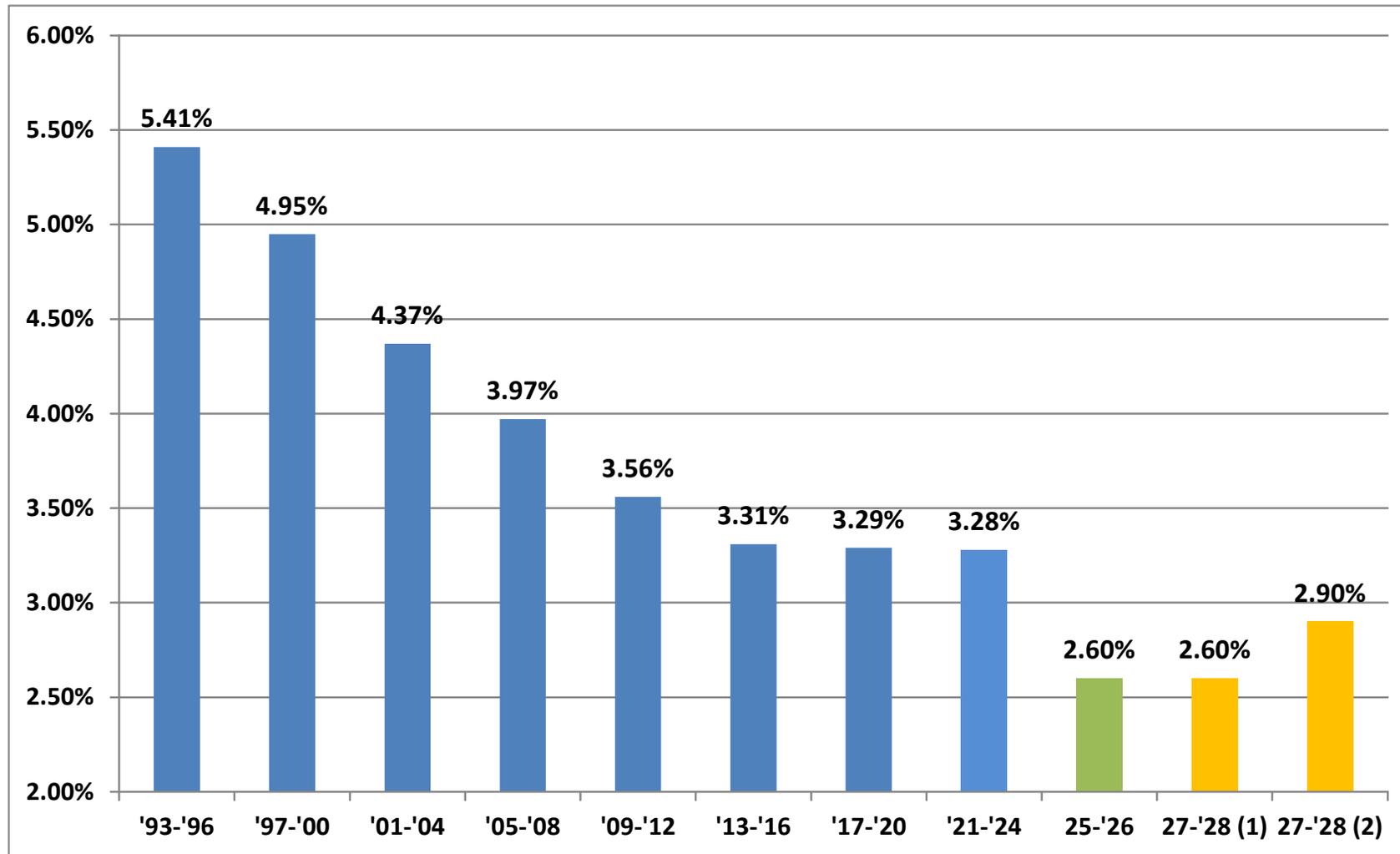
Multiply total Net Expenditures * Base Rate Percentage

Total Apportionments = Total Net Expenditure * Base Rate Percentage

Apportionment Trends

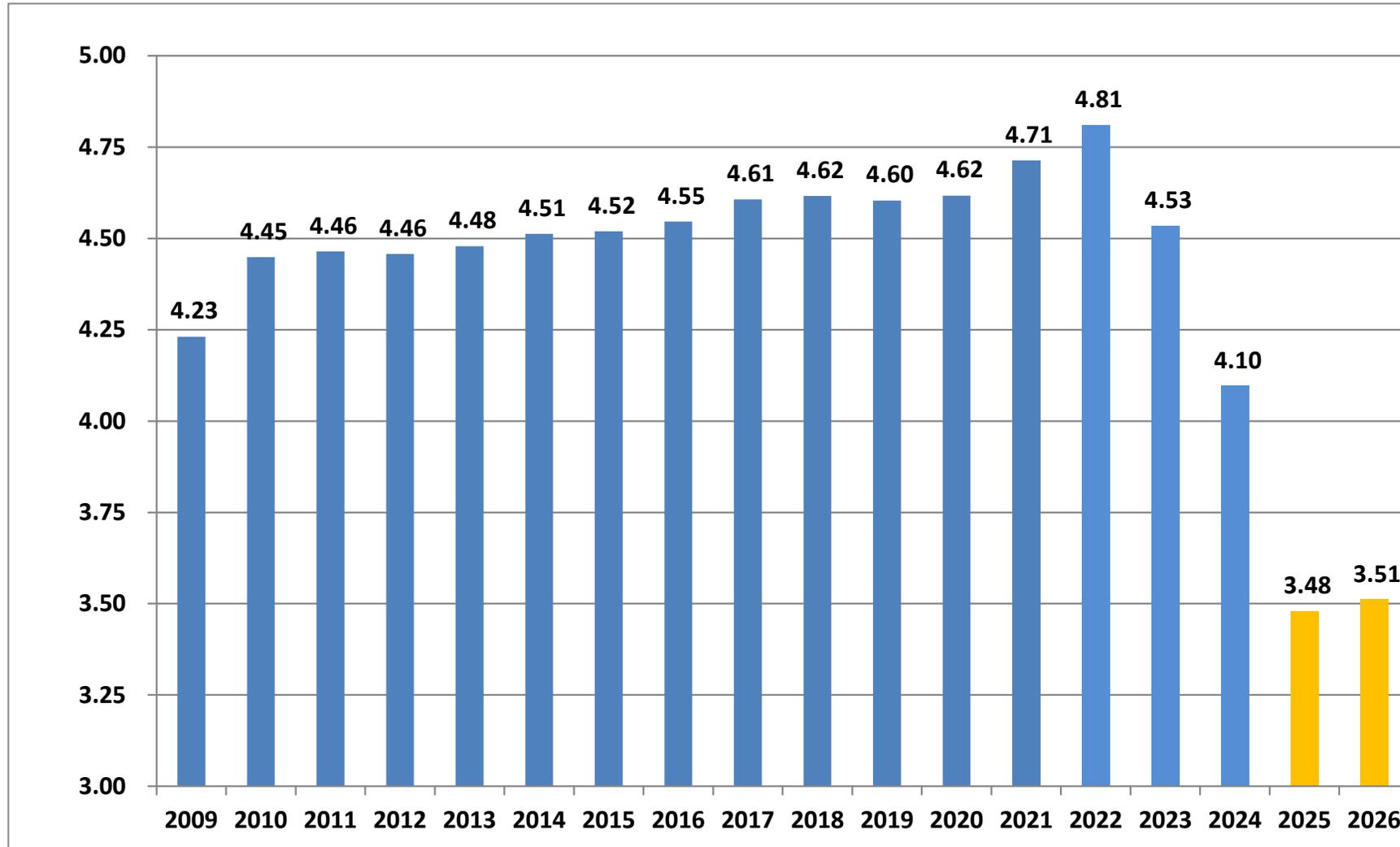


Base Percentage Used in Apportionment Formula

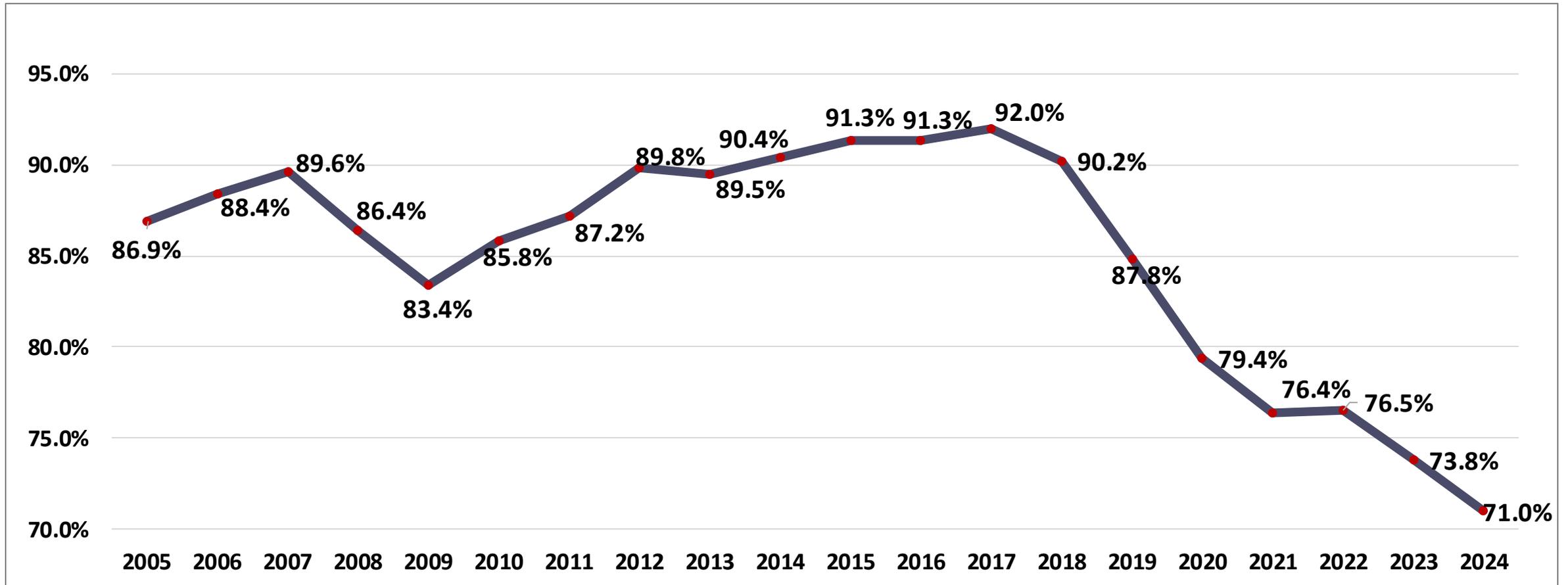


The Base Percentage in 2027 & 2028 is dependent upon collections reach 90% in 2025 & 2026

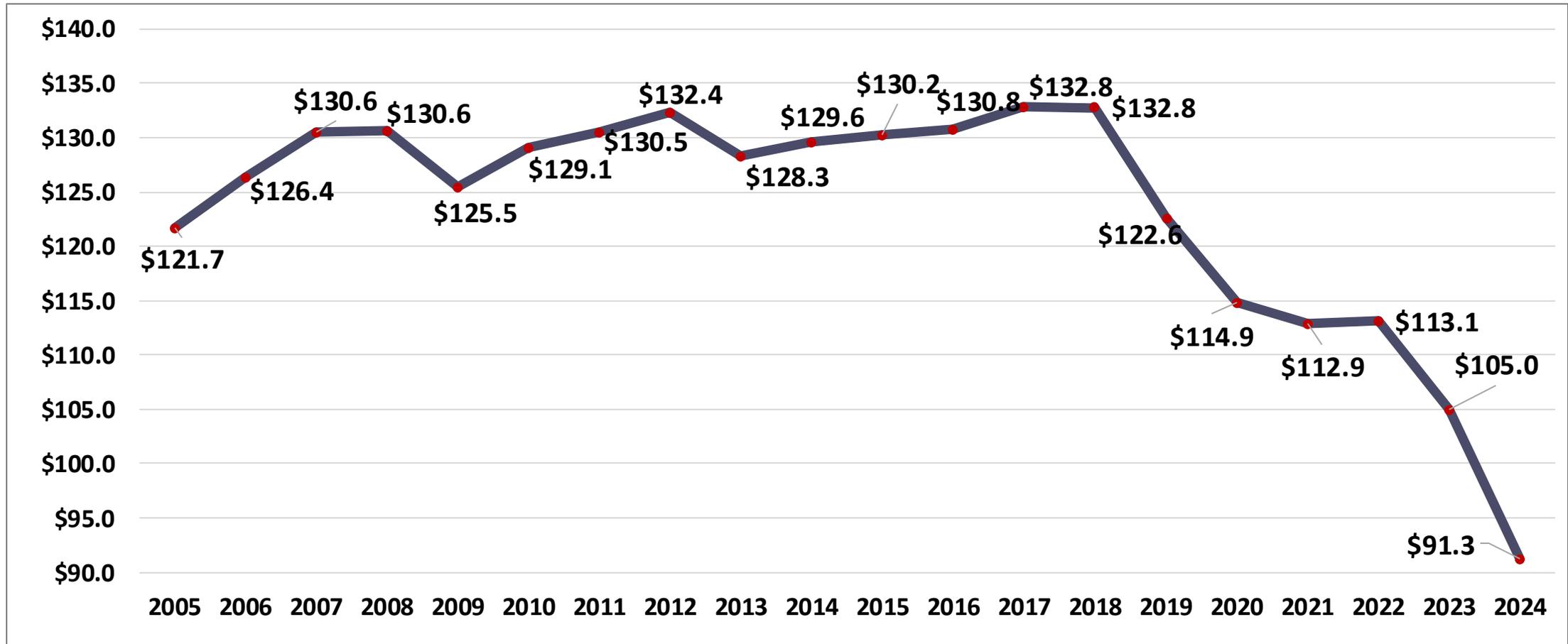
Local Church Net Expenditures Used in Apportionment Formula



General Church Apportionment Collections - 20 Year Trend



General Church Apportionment Collections - 20 Year Trend



Annual Conference Apportionment Formulas

Annual Conference Apportionment Formulas

- **Same as the General Church Formula**
- **Financial Formulas**
 - **Percentage of Income (Tithing method is common)**
 - **Percentage of Expenses**
- **Combination of Financial and other metrics such as attendance**

Annual Conference Apportionment Formulas

Discussion Topics

- **What does your conference use?**
- **Does it still fit the needs of the conference and local churches?**
- **What are the Pros & Cons of the various formulas**

Questions?





Thank You!



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