Understanding the apportionment canon

SEPTEMBER 2016 MEETINGS OF THE CONVOCATIONS OF THE EPISCOPAL DIOCESE OF KANSAS

LARRY BINGHAM, INTERIM CHAIR, FINANCE COMMITTEE

What is "apportionment"?

- Canon IV. 2 was adopted by Diocesan Convention in 2004, to become effective in 2006
- It describes the process by which all parishes in the diocese will share the costs of the Mission Plan of the diocese each year for:
 - Missionary work of the Church
 - Program of the diocese
 - Support of the Episcopate

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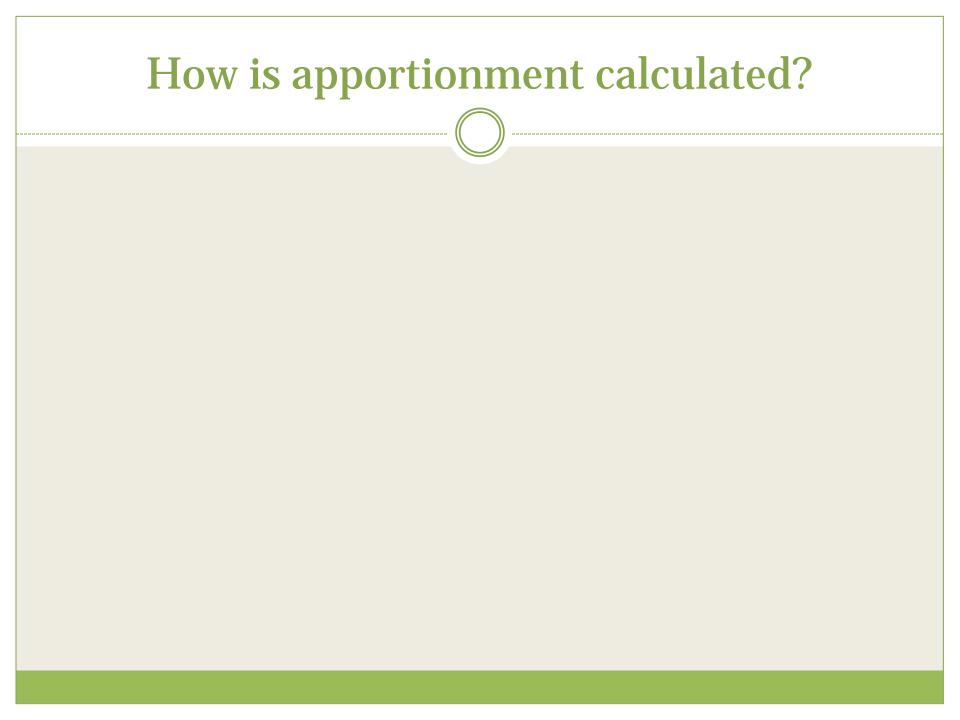
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Mission Plan → apportionment

For 2017, **apportionment** makes up **76.4 percent** of **revenue**



STEP 1

Start with Box A of the Parochial Report

perating Revenues	3. Plate offerings, pledge payments & regular support (3)
	4. Money from investments used for operations in 2014 (4)
	Other operating income, including unrestricted gifts & restricted gifts used for operations & contributions from congregation's organizations (5)
	6. Unrestricted bequests used for operations (6)
	Subtotal Normal Operating Income (3+4+5+6) = A
	7. Assistance from diocese for operating budget (7)
	Total Operating Revenues (A+7) = B
Non-Operating Revenues	8. Capital funds, gifts & additions (8)
	9. Additions to endowment & other investment funds (9)
	Contributions & grants for congregation-based outreach & mission programs (10)
	11. Funds for transmittal to other organizations (11)
	Subtotal Non-Operating Revenues (8+9+10+11) = C
	Total All Revenues (B+C) = D

- Exclude from Box A...
 - Any contributions to a fund or payment to retire debt for expanding or updating church facilities
 - Exclusion first has to get approval from the Convocation Board and then Council of Trustees

 Be sure to list these excluded amounts on the Supplemental Form that must be submitted with the Parochial Report

Supplem For	nent to the Episcopal Church Parochial Report (Parish & City)
	For the Fiscal Year Ended December 31, 2015
	nt Exclusions d under Diocesan Canon IV.2 Sec. 3(a)(1)Capital Fund Contributions
\$ Information is re	Payments to Retire Debt (Principal & Interest) quired for the Diocesan Finance Committee

STEP 3

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STEP 4

- **Exception #2** to the 3-year average :
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 - Use the smaller amount
 - > Church C

2012 REVENUE	2013 REVENUE	2014 REVENUE	2015 REVENUE	TRUSTEE 2015 BASE	ADJUSTED 2015 BASE	2017 APPORT.	PERCENT OF TOTAL	2017 EFFECTIVE RATE
197,256	193,371	182,112	186,077		186,077	32,023	2.30%	17.21%

3-year average = \$187,187

Most recent year = \$186,077

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 - First \$50,000 12 percent
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 - Over \$100,00
 18 percent

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- But...
 - These percentages can go up or down, staying in proportion to each other, to reach what is needed to fund the Mission Plan

The adjusted apportionment rates to fund the 2017 Mission Plan are:

- First \$50,000 13.62785 percent
- Second \$50,000 16.62785 percent
- Over \$100,00 19.62785 percent

- No parish shall be assessed an amount exceeding
 20 percent of its Average Normal Operating
 Income
- The highest effective rate on the 2017
 Apportionment Schedule is 19.15 percent

