

Council on Finance

Report Number 2: Conference Budget Apportionment Formula

- 1) The 2014 North Alabama Conference budget shall be apportioned to the local churches of the Conference, and the apportionment to each local church be an amount obtained by the application of the following formula: 25 percent of the total of the North Alabama Conference Budget shall be apportioned prorata to each local church on the basis that the "Total Members" of the local church bears to the "Total Members" of the Conference, as shown in Column 9 of the Statistical Tables in the 2013 Conference Journal; and 75 percent of the total of the North Alabama Conference budget be apportioned prorata to each local church on the basis that the total of the individual local church expenditures bears to the total of local church expenditures of the entire Conference, as shown in Columns 53-62 of said tables.

NOTE: Columns 53-62 present local church expenditures for pastor and staff compensation, program expenses, and operating expenses.

SAMPLE APPORTIONMENT CALCULATION (Using 2013 Budget and 2011 Statistics)

Membership and Local Church Expenditure Factors:

<u>Criteria</u>	<u>Percent</u>	<u>(A) Amount</u>	<u>(B) Conference Total</u>	<u>(C)=(A)÷(B) Factor</u>
Membership (Column 9)	25%	\$2,318,425	138,706*	\$16.72
Local Church Expenditures (Columns 53-62)	75%	6,955,276	\$87,554,568**	7.943%
Total	100%	<u>\$9,273,701</u>		

Sample Local Church Apportionment Calculation:

12/31/11 Local Church Membership (Col. 9)	521 X \$16.72 = \$8,711
2011 Local Church Expenditures (Cols. 53-62)	\$316,918 X 7.934% = <u>25,173</u> <u>\$33,884</u>

- * *Adjusted for closed churches and churches designated as mission congregations*
 ** *Adjusted for closed churches, churches designated as mission congregations, and housing allowances in lieu of parsonages*

- 2) The total for Section B – World Service and Conference Benevolences of the 2014 North Alabama Conference shall be apportioned to local churches as a single amount, with percentages indicating what portion represents World Service and what portion represents Conference Benevolences.
- 3) Adjustments in apportionments shall not be made because of reporting errors by local churches.
- 4) In accordance with ¶613.3 in the 2012 *Book of Discipline*, the sum of the apportionments calculated using the formula in 1) above, for one or more districts, may be apportioned to the district by mutual agreement between the Council on Finance and the district superintendents.