

(EXHIBIT-2)

Apportionment Task Force (ATF) Resolution



Be it resolved, that the 81st Convention of the Episcopal Diocese of Rochester approves the recommendations for changes to the apportionment process of the Diocese from the Diocesan Council and the Apportionment Task Force (ATF), effective for apportionments beginning in the budget year 2014.

(EXHIBIT-2)

2014 Apportionment

Recommendations:

1. Maintain a progressive rate structure where parishes with greater resources contribute a larger % than those with less.
2. Lower the base rate, for the smallest churches, to 10%.
3. Adjust income bands to better reflect our current distribution of parish income profiles.
4. Simplify & clarify the apportionment formula as follows:
 - Eliminate the use of Communicants in Good Standing as a variable in the calculation.
 - Utilize only the most recent year of Operating Income as the basis for calculating apportionment.
 - Provide clear directions on what is included in Operating Income.
5. Apply annual “cap & floor” limits to moderate the short term impact that a change in the formula may have on any individual parish. EXAMPLE: Limit annual change in apportionment for any one parish to (+/-) 5%.
6. As part of each year’s budget process, Council may adjust the apportionment rates and/or the cap & floor, as most appropriate to further the mission statement of the Diocese.
7. Creating an apportionment appeals process is not the most effective way to address the underlying issues of a parish with financial concerns.

(EXHIBIT-2)

2014 Apportionment

Changes vs. Current Formula:

- Single variable: *Operating Income* (No point system required)
- Adjust bands to better reflect distribution of parish income profiles
- Reduced rates to start at 10%
- Calculate using most recent year only (no 3-YR Averaging)
- Apply annual “cap & floor” limits to moderate short term impact

		# Parishes
<i>Operating Income (Line A):</i>		
< \$50,000	10%	12
\$50,000 - \$99,999	12%	10
\$100,000 - \$149,999	13%	10
\$150,000 - \$249,999	14%	8
\$250,000 - \$499,999	15%	5
> \$500,000	16%	2
		47