



CANADIAN CONSEIL
UNITARIAN UNITARIEN
COUNCIL DU CANADA

**CANADIAN UNITARIAN COUNCIL
ANNUAL GENERAL MEETING | MAY 11, 2019**

NEW METHOD OF CALCULATING ANNUAL PROGRAM CONTRIBUTION BEGINNING IN 2020

BACKGROUND:

- A. Under its Bylaw 3.5.3.2, the CUC is required to seek delegate approval at each Annual General Meeting (AGM) for a budget, and the Annual Program Contribution (APC) amount to be paid by member congregations. The APC provides most of the funding for the work of the CUC.
- B. In accordance with Bylaw 2.4.3, each congregation shall pay an Annual Program Contribution (APC) each year to support the activities of the Council. The current method of calculating the APC is a fixed amount per Adult member of each member congregation, and a lower amount per Youth or Young Adult member.
- C. At the 2017 AGM, an increase to the APC for 2018 was voted on and approved for the first time since 2013, from \$93 per member to \$100 per member. This was roughly equal to an adjustment for inflation over the five years during which no increases were made.
- D. One of the fundamental reasons for increasing the APC in 2018 was to ensure that the CUC was able to provide appropriate compensation for all staff. At the 2018 AGM, an increase of 1.6% to \$101.60 per member for the 2019 APC was approved.
- E. A renewed version of the APC Task Force was created in February 2017, with a mandate to make a recommendation to the 2019 AGM for a revised method of calculating the APC, or continue with the existing method.
- F. Many options for calculating the APC have been reviewed: a percentage of income, a percentage of operating expenses, a combined method, and more. Discussions have highlighted a few reasons for seeking a modified method for calculating the APC, and the rationale for an alternate method.
 - a. The declining membership numbers have led to a need for more stable funding of the CUC work for the congregations.
 - b. The method for calculating the APC should be easy to determine and should be changed gradually.
 - c. The method for calculating the APC should be a fair distribution based on a congregation's financial resources and move away from a per member calculation.



- d. The view that an APC based solely on a per-member basis may put some congregations in a position of discouraging new members, in order to avoid paying an increased APC amount. Rather, the APC should be, and is, a congregational commitment to the national faith community.
 - e. No congregation should be unfairly presented with a large increase (or decrease) in the APC amount per year. The calculation should build in a maximum of 10% change to a congregation's APC amount. Calculations should also reflect an ability to contribute to the work of the CUC.
 - f. The Canadian Consumer Price Index (CPI) is a commonly used index for adjusting the CUC budgets for inflation. Similar indexing is necessary for the APC calculation in order that the annual budget will reflect the continual changes to costs.
- G. The APC Task Force is recommending a split calculation based on a percentage of a member congregation's **Donations to the Operating Fund**, plus a **Per Member Amount**.
- H. The Appendix provides greater detail on how the calculations would be applied.

BE IT RESOLVED THAT the CUC adopt a new APC calculation, beginning in 2020, such that:

1. The total of all congregations' APCs equals the CUC's budgeted APC revenue for the given year, as approved at a Meeting of the Council.
2. Each congregation's Annual Program Contribution (APC) shall consist of a **Per Member Amount** plus a **Revenue Sharing Amount**.
3. The **Per Member Amount** is equal to the congregation's total membership count for each class of member (as reported each fall to the CUC) multiplied by the respective **Per Member Rate**. The **Per Member Rates** for 2020 will be as follows:

Youth & Young Adult (YA) (under 35)	\$17.50 (no annual increases)
Over 35	\$51.66 (50% of the 2019 rate x 1.7%)
4. For 2021 and beyond, the **Over 35 Per Member Rate** shall increase each year by an amount equal to the change in the Canadian Consumer Price Index (CPI) as published in November of the previous year.



5. A congregation's **Revenue Sharing Amount** is equal to 3.8% of the congregation's **Donations to the Operating Fund** (as reported in the fall to the CUC).
6. For 2021 and beyond, the percentage will be reviewed each year to ensure that the total of all congregations' APCs meets the CUC's revenue needs, as described in (1) above.
7. **Limitation on Increase:** In 2020, a congregation's APC will not increase or decrease by more than 10% of the 2019 APC. In subsequent years, a congregation's **Revenue Sharing Amount** will not increase or decrease by more than 10% from the previous year.
8. A congregation's **Donations to the Operating Fund** are the total of all pledges, donations, gifts, and plate collections whether receipted or not, going into the operating fund.
9. For the APC calculations, **Donations to the Operating Fund DO NOT INCLUDE:**
 - income from investments, programs, grants, fundraising, rentals;
 - donations passed on to qualified donees;
 - donations passed on to revolving funds such as food bank funds or refugee funds;
 - donations to internally or externally restricted funds such as endowment funds, capital funds or such other funds as a congregation may designate.
10. Each member congregation shall submit to the CUC by October 31 of each year the certified count of its members by class of member; and the total **Donations to the Operating Fund** from its most recent annual financial statements.

Approved by delegates at the Annual General Meeting | May 11, 2019



Annual Program Contribution (APC) Calculation Method Beginning in 2020 - Example

A. **2019 Method:** The following example illustrates the calculation in 2019 for a fictitious congregation with 183 adult members and 6 youth members:

Current per member amount	183 adults x \$101.60	\$18,593.00
Young Adult amount	6 YAs x \$35.00	\$210.00
CURRENT METHOD TOTAL APC		\$18,803.00

B. **Proposed Method** starting in 2020:

- 1) **Per member amount** which will be half of the 2019 **Per Member Amount**; and,
- 2) **Revenue Sharing Amount** equal to 3.8% of receipted and non-receipted donations intended for the operations fund, whether received from members, visitors or friends. See Items F & G for examples of income that will and will not be included.

Per member amount = Number of Members x Per Member Rate	183 adults x \$51.66	\$9,453.78
Young Adult amount	6 YAs x \$17.50	\$105.00
3.8% of Revenue Sharing Amount	\$264,847 x 3.8%	\$10,064.19
PROPOSED METHOD TOTAL APC		\$19,465.59

C. These amounts would be reported annually on October 31 from the most recently completed congregational financial statements.

D. In 2020, a congregation's total APC will not increase or decrease by more than 10% of the previous year's APC. In subsequent years, a congregation's **Revenue Sharing Amount** will not increase or decrease by more than 10% from the previous year.

E. 3.8% is used in the example to keep the same total APC income for 2020 as the existing method. The **Revenue Sharing Amount** is calculated by multiplying by 3.8% of the **Donations to the Operating Fund** to generate the same amount of income from the donations calculation as we get from half of the **Per Member Rate**.



The total calculation is:

(# of members x half the current Per Member Rate) + (Donations to the Operating Fund x percentage) = Annual Program Contribution (APC) to CUC

F. Donation types **to be used** for the calculation of the **Revenue Sharing Amount**:

1. Receipted donations intended for the operations fund, whether received from members, visitors or friends. Non-Receipted donations (eg, plate collection) that go to the operating fund.
2. Gifts that are not restricted. The idea behind this type is that it reflects an increased ability to pay the APC. A 10% cap on increases to the APC is part of the motion.

G. Donation types **to exclude** from the calculation:

1. Donations passed on to qualified donees (other registered charities);
2. Revolving funds such as food bank funds or refugee funds;
3. Donations or bequests made to an internally or externally restricted fund such as endowment funds or capital funds;
4. Income from investments, programs, fundraising, rentals; and
5. Donations to such other funds as a congregation may designate.