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**CANADIAN UNITARIAN COUNCIL
ANNUAL GENERAL MEETING | MAY 8, 2021**

Changes to Calculations for Annual Program Contribution

BACKGROUND

Two resolutions were passed at the 2019 Annual General Meeting which changed the calculation method for the Annual Program Contribution (APC). The first 2019 resolution changed the APC calculation method to a split calculation - each congregation's share now consists of a **Revenue Sharing Amount** plus a **Per Member Amount**. Refer to Appendix A for a full copy of the original motion.

The new calculation method has been in place for two rounds of APC calculations - 2020 and now 2021. After questions from congregations and review by the CUC Board, there are three changes proposed that will slightly modify the calculation method.

- **Change the month for determining the CPI rate:**
 - The second resolution approved in 2019 states in part that:

“the amount per member be increased each year by an amount equal to the Canadian Consumer Price Index (CPI) percentage in November for the previous year.”
 - The intent was that the **Per Member Rate** increase be tied to the same date each year. After review it was determined that it could be beneficial to congregations that the date to determine the CPI percentage rate be aligned with the cutoff date for the financial statements to August of each year.
- **Clarify wording for determining the Per Member Rate:**
 - The resolution states, in part:

*“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 Adult **Per Member Rate** will be 50% of the amount set at each Annual General Meeting.”*
 - The last part of the paragraph requires clarification. The 50% was applied to the 2019 **Per Member Rate** to obtain the 2020 **Per Member Rate**. The intent of the APC Action Group was that in the following years, the APC rate would increase by the CPI. However, the phrase “50% of the amount set at each Annual General Meeting” does not clearly state the intent, and should be reworded.



- **Remove the 10% Cap for the 2022 APC calculations:**
 - The 2019 resolution included a provision for a 10% cap on increases or decreases in the total 2020 APC amount for any congregation. The cap was intended to limit the potential increase or decrease in the **Revenue Sharing Amount** from one year to the next during the transition period and does not apply to the **Per Member Amount**.
 - The 2020 calculations for several congregations saw a reduction in their total APC amounts due to the 10% cap. A few congregations saw increases which were capped at 10% higher than the 2019 APC.
 - The 2019 resolution also included a provision for a 10% cap on the **Revenue Sharing Amount** starting with the 2021 calculations. Now that the transition period has encompassed two fiscal years, we are recommending that the cap be removed.

The following motions were approved at the 2021 AGM:

RESOLVED THAT the sentence from the 2019 resolution: “The Adult **Per Member Rate** will be 50% of the amount set at each Annual General Meeting” be changed to read:

The Adult **Per Member Rate** will be the previous year’s rate multiplied by the annual CPI rate.

RESOLVED THAT the Canadian Consumer Price Index (CPI) percentage at August 31st of each calendar year be the rate that is applied to the Adult **Per Member Rate**.

RESOLVED THAT the the 10% cap on the **decrease** in the **Revenue Sharing Amount** from one year to the next be removed starting with the **2022** APC calculations.

RESOLVED THAT the 10% cap on the **increase** in the **Revenue Sharing Amount** from one year to the next be removed starting with the **2023** APC calculations.

Please refer to Appendix B for the 2019 APC resolution.

The new resolution and process, if approved, will read:

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 Adult Per Member Rate will be the previous year's rate multiplied by the annual Consumer Price Index (CPI) rate.*
4. *The CPI percentage at August 31st of each calendar year be the rate that is applied to the Adult Per Member Rate.*
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. 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.
8. 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.
9. 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 online Annual General Meeting
May 8, 2021**