Understanding Your Greater Pacific Northwest (USA) Mission Center 2015 Congregational Allocation

The allocation computation uses two primary factors:
1) Total Congregational Ministries contributions (purpose code 100)
2) Total number of Contributor Units for congregational contributions. A single person or a married couple counts as 1 unit.

- Congregations that receive the most contributions and have the most contributors will have the highest allocation.
- The allocation formula is designed to help determine a congregation's ability to pay and is a reflection of their collective generosity.
- There is no perfect formula; however, we continue to strive for an equitable approach.

The criteria and rationale for the formula include:
- The data used to compute the allocations is from the church's computerized database, Shelby.
- The allocations are based only on the immediate past year's contributions—because it is a more current reflection of the congregation's contributor composition.
- It does not drag multiple years of historical data forward—because previous formulae included "stale" data and did not reduce fluctuations in allocations between years as much as hoped.
- Half of the allocation is based only on Congregational Ministries (purpose code 100) contributions, not other local or Mission Center or World Church contributions—because congregational contributions more accurately reflect the giving strength locally.
- The other half of the allocation is based on the number of congregational contributors who contribute more than $100 during the year.
- For congregations with a Houses of Worship Revolving Fund loan (HWRF), the loan payments for the year are subtracted from the contributions to Congregational Ministries used to compute the first half of the allocation— this supports congregations that are attempting to retire congregational debt.
- A "ceiling" and "floor" of 10% (more or less than the previous year's allocation) is included in the process—because this is a way to directly limit fluctuations year to year and makes budgeting for congregations more predictable.
- **Questions?** Contact Mission Center Financial Officer Bill McFarlin at wmcfarlin@cofchrist-gpnw.org or 360-574-2758

> **Total proposed allocations for 2015: $127,509**
> **Total 2013 contributions to Congregational Ministries: $555,181**
> **Total number of 2013 local contributors:.........491**

Hypothetical Example Using Congregation X:
To keep it simple, let's say total annual GPNW congregational allocations are $100,000, total GPNW member contributions were $1,000,000, and total number of GPNW contributors were 1,000.
- The first half of the total GPNW combined congregational allocation is based on Congregational Ministries contributions (Purpose code 100) during 2013 (most recent completed year)—$50,000 (1/2 of $100,000).
- Congregation X had annual local contributions of $80,000, which is 8% of the total GPNW member contributions ($80,000/$1,000,000).
- Congregation X's part of this half of the allocation would be 8% of $50,000, or $4,000.
- The second half of the total allocation ($50,000 (1/2 of $100,000) is based on the number of congregational contributors to Congregational Ministries during 2013.
- Congregation X had 24 contributors, which is 2.4% of the total GPNW contributors (24/1,000).
- Their part of this half of the allocation would be 2.4% of $50,000, or $1,200.
- Congregation X's total allocation for 2015 would then be $4,000 + $1,200, or $5,200.

Final Considerations:
1) If Congregation X's computed allocation for 2015 is more than 10% higher than their 2014 allocation, their 2015 allocation will be limited to a 10% increase. If Congregation X's computed allocation for 2015 drops by more than 10% compared with their 2014 allocation, their 2015 allocation will be limited to a 10% decrease.
2) If Congregation X made $2,000 in Houses of Worship Revolving Loan Fund loan repayments during 2013, their contributions would be adjusted for the allocation formula to $78,000 from the original $80,000.