

September 2025

Treasurers' Resource Call



Agenda

- Understanding the apportionment calculation
- Changes to Apportionment for 2026
- How to calculate apportionment in your budget
- Diocesan Benefit Policies
- The Diocesan Budget



Understanding the Apportionment Calculation

Section 50 of the Canons of the Diocese of Northern California

***Sec. 50.2.** Mission Apportionment will be calculated as a percentage of Net Disposable Income (N.D.I.) defined as **operating income** less outreach and capital expenditures, creative staff expenditures (as defined below), and other deductions as defined in the instructions for the treasurer's monthly report.*



Understanding the Apportionment Calculation

How to calculate operating income?

- Operating income includes both the actual money collected through donations, grants, investment income, and other sources AND the amount necessary to adjust for a deficit or surplus.
- When you bring funds in from net assets to cover operating expenses, that transfer becomes part of your operating income.
- At the end of the year, your Operating Income *(including any transfers from or to Net Assets)* and Operating Expenses **must** match. Because of this, the TMR formula uses Operating Expenses as the basis for its calculations.

	Pledge & Plate	\$100,000
	Facilities Usage	6,000
	Investment Income	12,000
	Transfer from Net Assets	7,000
	Total Operating Income	\$128,000
=	Operating Expenses	125,000
	Net Surplus (Deficit)	(\$7,000)



Understanding the Apportionment Calculation

How Apportionment is Calculated

- Apportionment is based on tiered or progressive system. All churches are treated the same based on the size of their NDI (Net Disposable Income).
- Example 1: A church with NDI of \$125,000 would pay \$16,000 in apportionment or about 12.8%
- Example 2: A church with NDI of \$300,000 would pay \$48,600 in apportionment or about 16.2%

Tier	Range	Rate
1	\$0 - \$60K	10%
2	\$60K - \$120K	15%
3	\$120K - \$240K	20%
4	Over \$240,000	18%
Overall CAP		17%

EXAMPLE 1

Income	Rate	Apportionment
\$60,000	10%	\$6,000
\$60,000	15%	\$9,000
\$5,000	20%	\$1,000
\$125,000		\$16,000
Effective Rate		12.8%

EXAMPLE 2

Income	Rate	Apportionment
\$60,000	10%	\$6,000
\$60,000	15%	\$9,000
\$60,000	20%	\$12,000
\$120,000	18%	\$21,600
\$300,000		\$48,600
Effective Rate		16.2%



Changes in Apportionment for 2026

How Apportionment is Calculated

- The Diocesan Board of Trustees reduced the apportionment rate in each tier by 2% for 2026.
- Example 1: A church with NDI of \$125,000 would pay \$13,500 in apportionment or about 10.8%. A savings of \$2,500.
- Example 2: A church with NDI of \$300,000 would pay \$42,600 in apportionment or about 14.2%. A savings of \$6,000.

Tier	Range	2025 Rate	2026 Rate
1	\$0 - \$60K	10%	8%
2	\$60K - \$120K	15%	13%
3	\$120K - \$240K	20%	18%
4	Over \$240,000	18%	16%
Overall CAP		17%	15%

EXAMPLE 1

Income	2026 Rate	Apportionment
\$60,000	8%	\$4,800
\$60,000	13%	\$7,800
\$5,000	18%	\$900
\$125,000		\$13,500
Effective Rate		10.8%

EXAMPLE 2

Income	2026 Rate	Apportionment
\$60,000	8%	\$4,800
\$60,000	13%	\$7,800
\$60,000	18%	\$10,800
\$120,000	16%	\$19,200
\$300,000		\$42,600
Effective Rate		14.2%

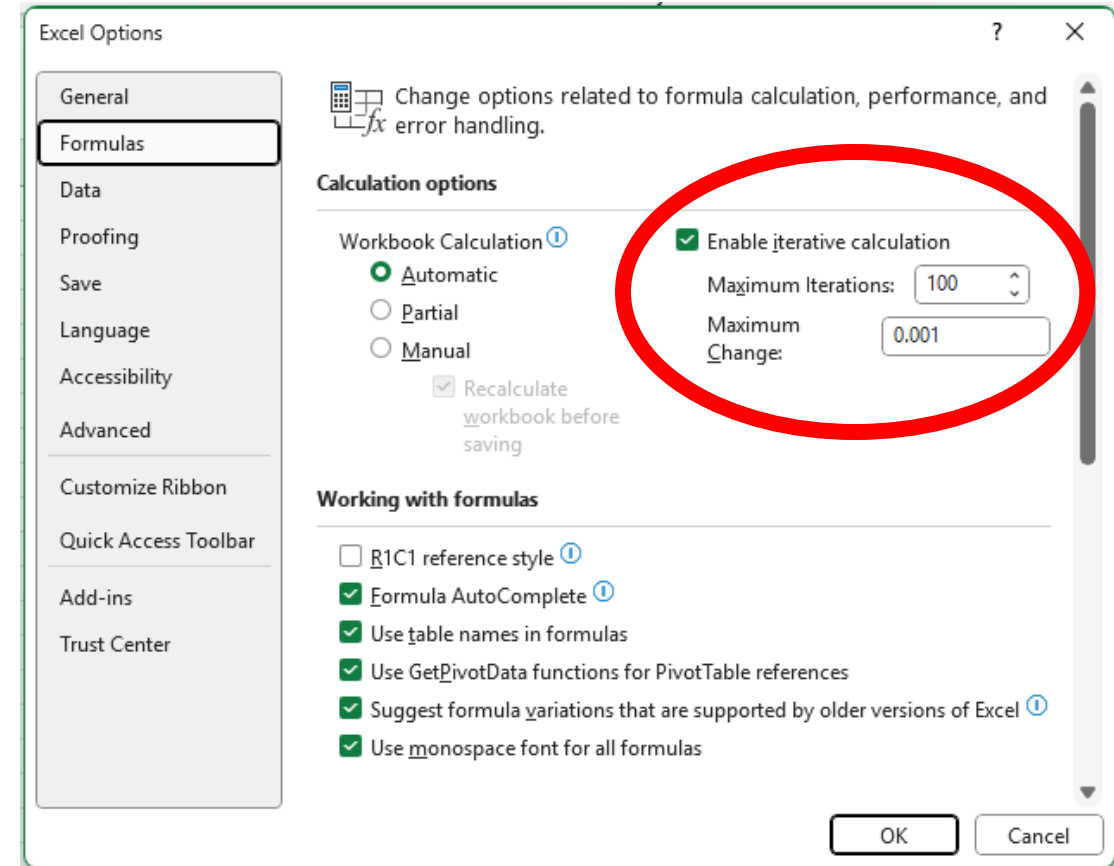


Calculating Apportionment in your Budget

The easiest way to calculate your apportionment is to use a similar concept as the TMR and base your apportionment on your total expenses...**but**...

Because the income used to pay apportionment is the same income that is subject to apportionment, this creates a circular reference in Excel.

To address this issue, you need to make sure that the calculation method tests for iterations in formulas.



Calculating Apportionment in your Budget

Since your apportionment is calculated based on NDI, you want to use your total expenses less the deductions. For example as shown on the right, Total expenses less outreach, capital, rental expenses, lease costs, and fundraising becomes the basis for the apportionment calculation.

Once you have the NDI, you can either use the detailed method shown here which involves calculating the rate on each tier to come up with the total apportionment or you can an approximate percentage.

Calculation		
Total Expenses:		377,789
Less:	Outreach Expenditures	(13,900)
	Capital Expenditures	0
	Rental Expenses	(2,530)
	Copier Lease	(4,020)
	Fundraising Expenses	(1,000)
= Net Disposable Income		356,339
	0 - 60,000 x 8%	4,800
	60,000 - 120,000 x 13%	7,800
	120,000 - 240,000 x 18%	21,600
	>240,000 x 15%	17,460
	Max Apportionment of 15%	0



Calculating Apportionment in your Budget

If you are very proficient in Excel and want to use the detailed calculation below, this will automatically calculate your apportionment no matter what your total NDI figure is.

Net Disposable Income	356,339	(in my spreadsheet, this is cell I213)
0 - 60,000 x 8%	4,800	=CEILING(IF(I213>60000,60000*0.08,I213*0.08),5)
60,000 - 120,000 x 13%	7,800	=CEILING(IF(\$I\$213>120000,60000*0.13,IF(\$I\$213<60000,0,(\$I\$213-60000)*0.13)),5)
120,000 - 240,000 x 18%	21,600	=CEILING(IF(\$I\$213>240000,120000*0.18,IF(\$I\$213<120000,0,(\$I\$213-120000)*0.18)),5)
>240,000 x 15%	17,460	=CEILING(IF(\$I\$213>240000,(\$I\$213-240000)*0.15,0),5)
Max Apportionment of 15%	0	=IF(SUM(I214:I217)/I213>0.15,CEILING(I213*0.15,5)-SUM(I214:I217),0)

However, this is fairly complicated and many people find this detail of formulas too daunting. So...



Calculating Apportionment in your Budget

The table at the right shows the approximate percentages that would be applicable to different NDI amounts in your operating budget. Using a fixed percentage is easier than the complicated formulas. This should provide a reasonably good estimate of apportionment.

When you finish your budget, do a last check of this table to ensure that you are still in the same general range as when you initially set your estimate.

<i>NDI</i>	<i>Rate</i>
\$50,000	8%
\$75,000	9%
\$100,000	10%
\$150,000	12%
\$200,000	13.5%
\$250,000	14.3%
\$300,000	14.6%
\$350,000	14.8%
\$400,000 +	15%



Calculating Apportionment in your Budget

What not to do:

- Don't just base your apportionment on what you paid this year. Unless your budget is exactly the same, apportionment won't be exactly the same.
- Unless you have a balanced budget, don't base the apportionment calculation on the operating income without also taking into account any budgeted deficit or surplus.
- Don't forget to deduct for outreach, capital expenditures, fundraising expenditures, etc. before calculating your apportionment...BUT...only to the extent that those expenses ARE part of your budget.



2026 Benefit Update

- **No Plan Changes:** The same medical and dental plans will be offered in 2026, though premiums will rise 6–8%.
- **OOB Alignment:** The Office of the Bishop will shift from the PPO 80 to the PPO 70 plan, the diocese's lowest-cost option, saving about \$22,000 and matching the diocesan minimum.
- **Open Enrollment:** For 2026 runs from October 15 – Nov. 7, 2025.



2026 Benefit Update

- An employee is eligible to enroll in benefits if the employee is normally scheduled to work 1,000 or more compensated hours per plan year. However, employers are not required to pay for medical & dental benefits until the employee is normally scheduled to work 1,500 or more compensated hours per plan year.
- Anthem and Cigna plans include preventive care, prescription benefits through Express Scripts, vision benefits through EyeMed, as well as hearing benefits. If you are enrolled in a Kaiser health plan, your pharmacy benefits will be provided by Kaiser.
- EAP is included with all Medical Trust medical plans. It is also available for employers to purchase for employees who waive their right to medical coverage at \$4/month per family. EAP benefits extend to the employee and their immediate family.
- As per our diocesan Denominational Health Plan (DHP), employers are required to pay a minimum of 80% of the lowest cost plan for both the medical and dental plans, for eligible employees. These base plans include Anthem BCBS BlueCard PPO 70 and Delta Dental Basic, as highlighted above.



Denominational Health Plan (DHP)

Last updated in 2022, this plan required by the Episcopal Church's 77th General Convention, sets benefits for all stipendiary clergy and lay employees working at least 1,500 compensated hours annually.

Key Requirements

- Employers must offer medical and dental coverage through The Episcopal Church Medical Trust with equal access and funding for clergy and lay staff.
- Parity: Same minimum coverage level and employer contribution for clergy and lay employees.
- Employers must pay at least 80% of the single-coverage premium for the lowest-cost medical (PPO) and dental plans for employees working 1,500+ hours.
- Employees working 1,000–1,499 hours may buy coverage through the Trust but employers are not required to contribute.
- The plan also mandates life insurance plus short- and long-term disability coverage.



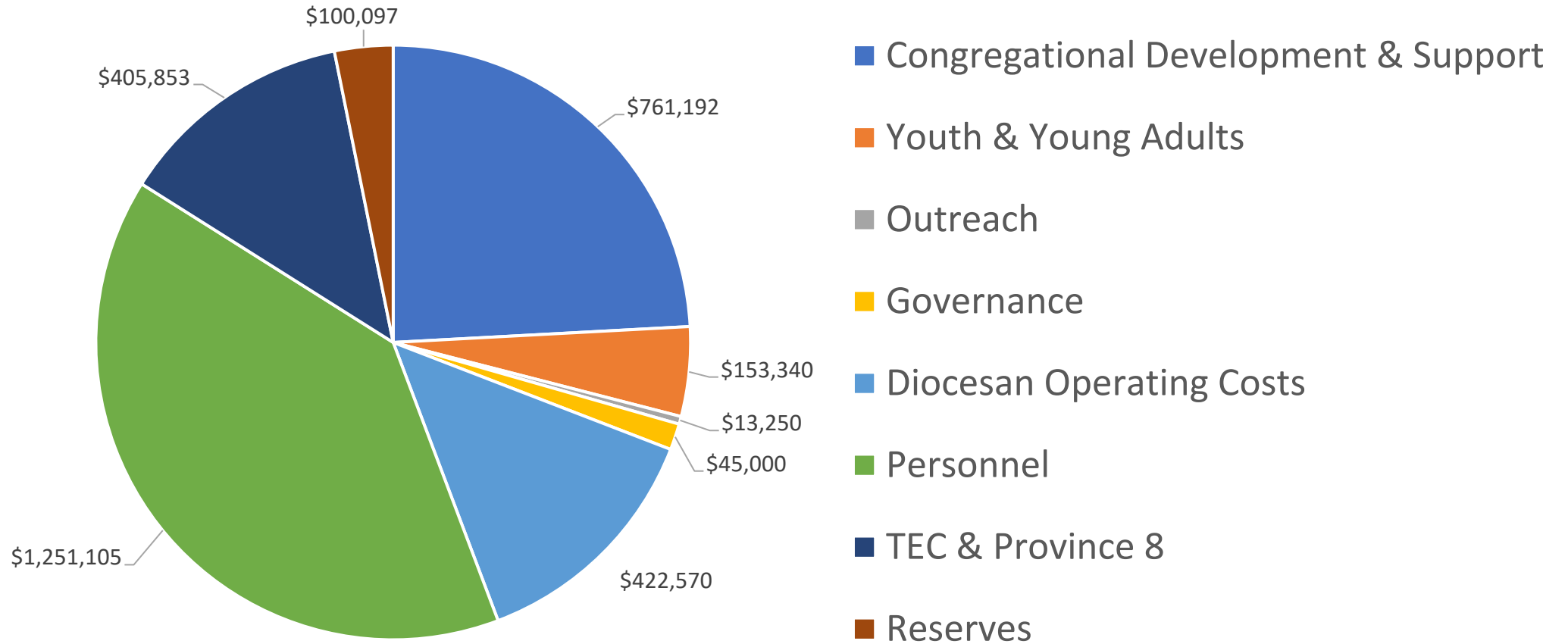
Denominational Health Plan (DHP)

Full diocesan Denominational Health Plan details are available here:

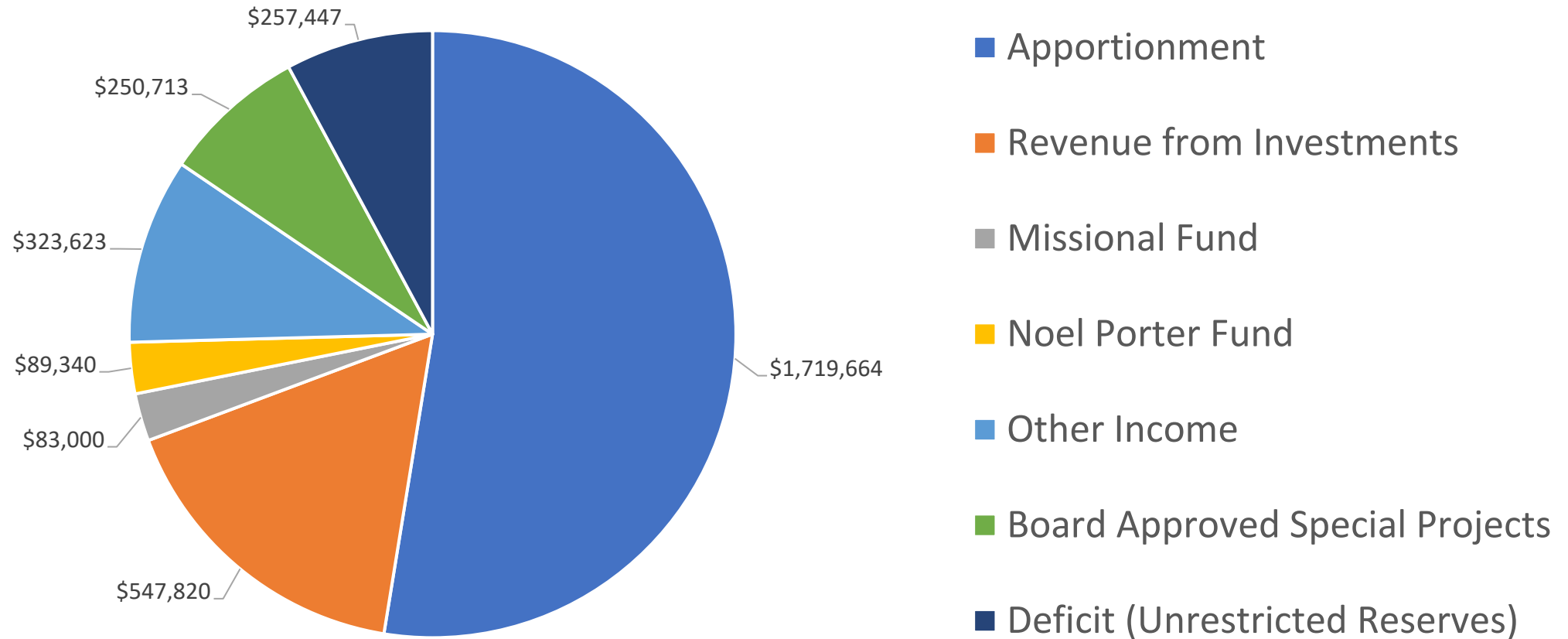
- <https://www.norcalepiscopal.org/wp-content/uploads/2021/10/EDNC-Denominational-Health-Plan-02.23.2022.pdf>



Diocesan Budget (Expenses)



Diocesan Budget (Income)



Diocesan Bookkeeping Service

- Position has been filled – employee starting soon.
- Will begin working with the first 3-4 churches in the next month or so.
- Once the first group has been onboarded, will slowly start to expand.
- If you have not yet filled out the survey and are interested in utilizing the service, let us know ASAP.



Questions and Comments

