

# ALLOCATION ADDRESS

METROPOLIS OF ATLANTA  
2009  
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GREEK ORTHODOX METROPOLIS OF ATLANTA

# 2006 CLERGY-LAITY CONGRESS

**Adopted For *All Metropolises*  
A Parish Allocation Process That  
Is Very Similar To The One Used  
In The Metropolis Of Atlanta.**



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# PRIMARY REASON FOR CHANGE

- U There Was A Continuing, Widely Perceived Inequity, Regarding The Archdiocese Allocations To The Parishes Across The County!



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# MOST IMPORTANT GOAL OF THE NEW ALLOCATION PROCESS

† *Ensure The Equity Of The  
Archdiocese Allocations To All Parishes  
In Each Metropolis* Beginning With The  
2007 Allocations.

† *Attempt To Ensure The Equity Of The  
Archdiocese Allocation* To All The  
Parishes Across The Country In 2009.



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# MAJOR CONSIDERATION:

Base Allocations On Parish Income Or Expenditures?

- † Income Is Less Stable From Year-To-Year.
- † Basing Allocations On Income Creates Fund-Raising And Stewardship Problems.
- † Basing Allocations On Income Is Too Similar To The Income Tax System – Resulting In Negative Emotions.



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# MAJOR DECISION

**The** PARISH ALLOCATION  
PROCESS *Is Based On Using The*  
**Parish's** *NET EXPENDITURES* –  
Experience Has Demonstrated That  
Net Expenditures Is Fairest Way To  
Assess A Parish's Ability To Pay Its  
Archdiocese Assessment.



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# EXCLUDED EXPENDITURES

The Clergy-laity Congress Exclude The Following Expenditures From The Net Expenditures:

- † Archdiocese Donations And Assessment Payments
- † Donations To National Ministries (E.G., Holy Cross)
- † Donations To SCOBA Ministries (E.G., IOCC, OCMC)
- † Donations To The Ecumenical Patriarchate
- † Donations To The Metropolis
- † Donations to Other Charities

(Excluding These Expenditures Serve As An Incentive For Donations)



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# EXCLUDED EXPENDITURES

The Clergy-laity Congress Exclude The Following Expenditures From The Net Expenditures:

† Facility Construction, Iconography, And Land Acquisition

† Interest On Construction Loans

† Facility Repair And Renovation

† Mortgage Principal And Interest

(These Exclusions Serve As Incentives For Facility Development And Maintenance.)



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# EXCLUDED EXPENDITURES

The Clergy-laity Congress Allowed Metropolitans To Exclude The Following Expenditures From The Net Expenditures For Small Parishes And Missions:

- † Priest Salary And/Or Cost Of Temporary Priest
- † Housing Allowance, If Not Include In The Salary
- † FICA Paid For The Priest
- † Health Insurance Paid For The Priest
- † Auto Allowance/Expenses Of Priest

Metropolis Of Atlanta Excludes These Expenses For All Parishes.



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# EXCLUDED EXPENDITURES

## ADDITIONAL EXCLUSIONS

† Festival Expenses

† Other Fund-Raising Expenses

† Day-School Expenses Paid By Parish

† Cost Of Hazard And Liability Insurance



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# INCENTIVES FOR METROPOLISES

The Clergy-Laity Congress Adopted The Following Incentives To Encourage Each Metropolis To Implement The Equitable Parish Allocation Process:

† Fund Each Metropolis At \$375,000 Or 25% Of Allocation Collections, Whichever Is Greater.

(Atlanta is Greater)

† 2% Of The Total Parish Allocations If Collect 100% During The Year.



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# ALLOCATION PROCESS: STEP-BY-STEP



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# STEP 1

**Information Forms Provided To Each Parish:**

**† Asks For Detailed Income And Expenditure Information**

**† Seeks Information For Two Most Recent Complete Years**

**† Mail in February, Distributed At Annual Presidents' Meeting (needed for Archdiocese in June)**

**(28 parishes did not respond by initial deadline in 2009)**



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# Step 2

**Archdiocese Notifies Each  
Metropolis Of The Combined  
Allocation For All Of Its Parishes For  
The Ensuing Year.**

**† Hopefully In August after All Parishes  
Had Reported To Their Metropolises**



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# Step 3

The Metropolis Selects A CUSHION For The Allocation Process – These Extra Funds Are Included To Cover Anticipated Parish Appeals As Well As To Cover The Amount Of Funds That Parishes Do Not Pay Towards Their Allocation By The End Of The Year. Thus The Total Allocation To The Parishes Is The Amount Required By The Archdiocese Plus This Cushion.

† This Percentage Has Typically Been 10 To 12 Percent



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# Step 4

**Compute The Percent Increase In The Total Amount To Be Allocated For The Ensuing Year Relative To The Same Total Amount For Immediately Preceding Year**

**This Percentage Is The Average Increase In The Parish Allocations For The Coming Year.**



# Step 5

Allocations Are Made For The Parishes That Did Not Return An Information Form:

† The New Allocation Will Be The Allocation From The Immediately Preceding Year, Increased By The Percentage That The Total Allocation Increased Over The Preceding Year (Step 4), Increased By 10% (As Agreed To By The Annual Presidents' Meetings).



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# Step 6

† Sum The Amount To Allocated To The Parishes Not Returning Forms, And Then

† Subtract This Total From The Amount To Be Allocated To All The Parishes Collectively – The Balance Is The Amount To Be Allocated To The Parishes That Returned Forms.



# Step 7

Compute The NET EXPENDITURES  
For Each Parish For Each Of The  
Two Years:

Total Expenditures  
– Total Of The Exempted  
Expenses  
Net Expenditures



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# Step 8

**For Each Parish, Average The Two Net Expenditures To Produce The *AVERAGE NET EXPENDITURE* For The Two Years.**



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# Step 9

**Sum The Average Net Expenditures For All The Parishes Returning An Information Form – Resulting In The TOTAL AVERAGE NET EXPENDITURES For The Metropolis.**



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# Step 10

Divide Each Parishes Average Net Expenditure By The Total Average Net Expenditures **For The Metropolis – Resulting In The Percentage Of The Allocation Balance That Each Parish Will Be Assigned.**

† This Percentage Represents The Amount **Of The Allocation That** Each Parish Can Afford To **Handle** Based On Its Typical Net Expenditures.



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# Step 11

**Multiply The Allocation Balance By Each Parish's Percentage Calculated In Step 10 – The Resulting Amount Is Each Parish's Allocation.**



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# Final Step

**Mail Each Parish Its  
Archdiocese Allocation For  
The Ensuing Year –  
Mailed Early September**



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# IMPLICIT ALLOCATION PROCESS ASSUMPTION

**Each Parish's Fiscal Experience Remains About The Same From Year-to-year:**

**† If Parish's Fiscal Picture Improves, It Is Blessed In That It Is Better Able To Pay Its Archdiocese Allocation.**

**† If Parish's Fiscal Pictures Worsens, An Appeal Process Is Needed To Ensure It Has A Fair Archdiocese Allocation.**



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# PARISH APPEALS

## † Standard Appeal

Each Parish's Allocation Is Based On The Two Years Preceding The Year Before The Allocation Year (e.g., The 2009 Allocation Is Based On 2006 And 2007 Fiscal Information). During The Year Immediately Preceding The Allocation Year (e.g., 2008), Some Parishes Experience A Fiscal Down Turn.

(The Reason This Year Was Not Used In Calculating The Initial Allocation Is That The Allocation Was Being Made In Middle Of This Year And The Fiscal Information Is Incomplete.)

◆ In This Case, The Parish May Appeal To Have Its Allocation Reduced By A Formula To An Amount That Is Consistent With The Net Expenditures During The Preceding Year – Resulting In A Fairer Amount To Pay.



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# PARISH APPEALS

**In Order For A Parish To Make An Appeal, It Must:**

**† Complete Its Allocation For The Preceding Year, and**

**† Paid One-Twelth Of Its Initial Allocation For The Current Year**



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# APPEAL DEADLINE

- U **A Parish That Wants To Make A Standard Appeal (based on the preceding year) Of Its Allocation Must Notify The Metropolis By March 15 And Complete The Required Forms by May 1. No Standard Appeals Are Accepted After These Deadlines.**



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# PARISH APPEALS

## † Special Appeal

**A Parish May Experience A Crisis (E.G., Hurricane, Schism, Etc.) During The Allocation Year.**

**◆ The Parish May Appeal To The Metropolis Finance Committee To Reduce Its Allocation To An Amount It Can Afford To Pay.**



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# APPEAL DEADLINE

- U **A Parish Must Notify the Metropolis Of Its Special Appeal By September 1. No Special Appeals Are Accepted After This Deadline.**



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# ENFORCEMENT PROCESS

The Clergy-Laity Congress adopted the following process to ensure that parishes accept and pay their assigned Archdiocese allocations:

1. Parish Council Elections not ratified.
2. Finance Committee meets with Parish Council.
3. Audit of Parish accounts and fiscal records (at parishes' expense).
4. Finance Committee meets with General Assembly.
5. Metropolis applies an appropriate sanction.



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# What Can Go Wrong?

While The Parish Allocation Process Has Proven To Be Fair And Effective, Four Things Can Go Wrong!

† Some Parishes Do Not Provide The Needed Information.

† Some Parishes Provide The Needed Information Late.

† Some Parishes Provide Inaccurate And/Or Incomplete Information.

† Some Parishes Don't Complete Their Allocation Payments During The Year.



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# Why Do These Things Happen?

- ◆ Some Parishes Are Parochial And Do Not Support The Needs Of The Patriarchate, Archdiocese, National Ministries, SCOBA Ministries, And The Metropolis.
- ◆ Some Parishes Have Very Poor Internal Communication.
- ◆ Some Parishes Have Poor Fiscal Records.
- ◆ In Some Parishes, The Parish Council Turns-Over Too Often.



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# PARISHES NOT PROVIDING NEEDED INFORMATION INITIALLY

**If A Parish Provides Its Fiscal Information Late, The Allocation Will Still Be Calculated Based On This Late Information And Increased By 10%. The Parish's Allocation Will Then Be This New Amount Or The Initial (Penalty) Allocation, Whichever Is Less.**



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# INACCURATE/INCOMPLETE INFORMATION

† If The Incompleteness/Inaccuracies Are Obvious (As Is Often The Case), The Parish Is Treated As If Its Information Is Late And Additional Information Is Requested – If The Parish Does Not Respond, The Initial Allocation Remains.

† If Later Fiscal Information Or Audit Exposes Earlier Inaccuracies, The Ensuing Allocations Will Be Increased Up To 10% Until The ‘Missed’ Allocation Funds Are Recovered.

† If A Parish Consistently Provides Inaccurate Information, They Will Be Required To Have An External Audit.



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# DON'T PAY MONTHELY AND/OR DON'T COMPLETE ALLOCATION PAYMENTS

**DURING THE YEAR**

## † Impact:

- ◆ **Reduced Funds For Archdiocese's And Metropolis' Operations**
- ◆ **Contributes To The Potential Loss Of The Metropolis' Bonus For Collecting 100% Of The Archdiocese Initial Allocation By December 31**
- ◆ **If Enough Parishes Miss This Deadline, The Cushion Will Need To Be Increased For The Ensuing Year, Resulting In Increased Allocations For All Parishes.**

## † Solution:

- ◆ **The Archdiocese is Charging Interest On Payments Over Due By 60 Days Or More.**



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