

## Chapters Allotments and distribution best practices

The purpose of this document is to explain the Regional Allotment Task Force (RAT) model and how the individual Chapter Allotment is calculated, as well as provide some best practices on how to distribute the regional allotment amongst its chapters.

### **1- RAT (Regional Allotment Task Force) Model**

Created in 2013 by a RCC Task Force, the RAT model proportions equitably the total Chapter Allotment monies to each of the five PEO Regions, and contains three factors that vary each year to arrive at Regional totals, explained as follows:

<b>TOTAL ALLOTMENT = CORE FUNDING + GEOGRAPHICAL FUNDING + PER CAPITA FUNDING</b>
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- A) **CORE FUNDING** (nominally 42%) - This value is based on the amount each Chapter spent in the previous year on the core and mandatory activities. Since the core functions are mandatory, funding these activities is also mandatory. The figure is calculated by multiplying the previous year mandatory activities' average expenses by the total number of Chapters per Region.  
**Update, July 2018:** This figure is now an average of core spending from the previous three years. This smoothing option was implemented to prevent drastic changes to a region's annual funding.
- B) **GEOGRAPHICAL FUNDING** (8%) - The Total Allotment value is firstly multiplied by the respective region geographical area in Ontario. Then, the result is multiplied by 8% to compensate smaller Chapters that have vast distances to service their members. E.g. Northern Region has the largest area (85%), therefore it gets the biggest portion of this funding, because it has the greatest administrative challenges in operating a chapter.
- C) **PER CAPITA** (nominally 50%) - Firstly the Per Capita figure is calculated by subtracting the Core Funding (A) and Geographical Funding (B) from the Total Allotment and dividing the outcome by the total sum of members from all regions. Then, the Per Capita figure is multiplied by the individual region's total number of members. The member population is from the latest figures available, and Out of Province members are not included.

### **2- Regional distribution best practices**

It is the Regional Councilor's responsibility to determine how to divide the Regional Allotment amongst its chapters to best attend their necessities. Below are the best accepted practices used by past Councilors.

- A) **PATRICK MODEL** – This method was adopted by 3 regions last year-term and the formula is applied to each chapter individually. The Chapter Allotment is calculated by multiplying the Regional Allotment (given from RAT model) by each respective Chapter Factor. The Chapter Factor is a sum of 5 factors, as explained below, divided by 5.
  - I. Member Factor – Total number of Chapter members divided by the total number of members in the Region;

- II. Previous Year Event Factor - Total number of Chapter events in the previous year divided by the total number of events the Region had in the previous year;
- III. Previous Year Allotment Factor - Chapter Allotment approved in the previous year divided by the total sum of all Chapter Allotments of the Region in the previous year;
- IV. Upcoming Year Event Factor - Total number of Chapter events planned for the upcoming year divided by the total sum of number of events all Chapters are planning for the upcoming year in the Region;
- V. Upcoming Year Allotment Factor - Chapter Allotment ask for the upcoming year divided by the total sum of all Chapter Allotments asks of the Region for the upcoming year;

B) **Teleconference model** – This method was used successfully by Regional Councilors in the past and as the name suggests, this practice involves setting up a teleconference composed by the Regional Councilor and Chapter personnel to better negotiate the region wide allocation distribution.

Once the Senior Regional Councilor has the approved Regional Allotment budget calculated from the RAT model, each Senior Regional Councilor (and junior for mentoring and coordination purposes) should set up a Region wide teleconference ensuring the participation of both the Chapter Chair and Treasurer.

The Regional Councilor will have the Region Allotment spreadsheet on screen with the following columns pre-filled;

- Allotment received in the previous year;
- Allotment requested in the current year;
- and Excess bank balances\*.

During the teleconference the Senior Councilor should begin by noting the Total Allotment for the Region available and from there encourage the Chapters to establish their own allotments based on the round table discussion and their individual allotment requests for the year. As the amounts are agreed upon the Regional Councilor will fill these numbers into the spreadsheet under the column [*Upcoming Year*] Approved Allotment. Once full agreement is reached the Senior Regional Councilor should make a motion to accept.

\*Funds raised by individual Chapters should be considered in the overall allotment allocations. Having this value will permit the Senior Regional Councilor during the teleconference to have its Chapters consider these monies as part of there negotiations, and a column with these raised funds should be included on the “negotiation” spreadsheet being used in the teleconference. Also, it is important to ensure that those funds are fairly treated as separate monies and that they do not put PEO at risk as a not-for-profit.