



Support Fund Calculation Method May 2017

Assumptions that were made:

- The fundraising suspension puts sub-Branches reliant on fundraising income at risk of financial stress.
- Sub-Branch's financial performance in 2017 and 2018 would be like 2016.

Methodology used to calculate support fund

1. Five sub-Branch income categories were created using 2016 SBAs.

Category of sub-Branch	Lower Range	Upper Range
Micro	\$1	\$24,999
Small	\$25,000	\$49,999
Small - Medium	\$50,000	\$99,999
Medium - Large	\$100,000	\$199,999
Large	Over \$200,000	

2. Reliance on fundraising by income category in 2016.

Micro and small categories of sub-Branches: Fundraising was 95%^ of income

Small to medium category of sub-Branches: Fundraising was 50%^ of income

Medium to large and large categories of sub-Branches: Fundraising was less than 10%^ of income

3. Four categories of SBA information were used:

- Income
- Expenditure
- Surplus (before donations)*
- Liquid assets

[^] Average across sub-Branches

**Explanatory note on surplus before donation: Tier based donations based on ATO deed were included as a percentage of surplus in 2016.*

Calculation for sub-Branches requiring support

Two tests were applied:

- Income Test based on sub-Branch category: This applied to Micro, Small or Small to Medium categories based on annual income.
- Liquid Asset Test: If the sub-Branch has liquid assets presented in 2016 to cover similar expenses for 2017 and 2018.

Sub-Branches passing both tests were identified as being at high risk of financial stress. This risk was caused by fundraising suspension and limited liquid assets available to rely on.

Sub-Branches passing both the tests were supported with:

- Micro – 95% of total expenses
- Small – 95% of total expenses
- Small to Medium – 50% of total expenses

The total funding required was made by applying the same test to all Micro, Small and Small to Medium sub-Branches. Total funding required to support financially at risk sub-Branches was identified.

To fund this Medium to Large and Large sub-Branches had to contribute 28.25% of surplus.

Calculation for sub-Branches providing support

Two tests were applied:

- Income Test based on sub-Branch category: This applied to Medium to Large or Large categories based on annual income.
- Surplus Test: If the sub-Branch made Surplus (before donation) in 2016.*

**Explanatory note. Extraordinary income or unrealised gains were removed from the income of the sub-Branch to assess realisable surplus.*

Sub-Branches passing both tests were requested to contribute 28.25% of the surplus (before donation) from 2016 SBA.