

Proposed Funding Formula; and
Proposed Contingency Refund Policy
For
CAFII Special Project On CCBPI

Assumptions

- CAFII has Eight (8) Member Companies Who Are At the Upper Tier of Member Dues for this project (including Two Initiation Members, who will be at the Upper Tier of Member Dues in 2020)
- CAFII has Three (3) Member Companies Who Are At the Lower Tier of Member Dues for this project
- Amex Bank Canada exempted due to tenuousness of CAFII Membership; and no Director on CAFII Board
- National Bank Insurance is transitioning from Lower Tier to Upper Tier, and has just rejoined, so will be positioned at Lower Tier for this project
- CUMIS has a small credit card portfolio, so this project is of less significance to it. CUMIS has been exempted from this funding formula, pending discussions on the level of funding that would be appropriate from it.

Proposed Funding Formula

8 Upper Tier Members contribute X each.

3 Lower Tier Dues Members contribute .5X each

Total funds needed: y

$$8x + 1.5x = y$$

Funding level of \$350,000 yields the following:

$$9.5x = \$350,000$$

$$X = \$36,843$$

So for \$350,000 budget we would have:

- 8 upper tier members contributing \$36,843 each for a sub-total of \$294,736
- 3 lower tier members contributing \$18,421 each for a sub-total of \$55,263
- total collected would be \$350,000

Proposed Contingency Refund Policy

Funds remaining at conclusion of CCBPI Special Project = z

Refund amount per Member: $z / 9.5 = x$, where Upper Tier Dues Members get x; and

Lower Tier Dues Members get $.5 \times x$

CONTINGENCY REFUND EXAMPLE:

\$100,000 funds remaining

$$\$100,000 / 9.5 = \$10,526$$

Therefore, Upper Tier Dues Members get a \$10,526 refund; and

Lower Tier Dues Members get a \$5,263 refund