



# Reader's Guide to the Form 990-PF

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The annual Form 990-PF is a public document that provides useful information about a private foundation's financial and charitable activities. Meyer posts this form on its website at [www.mmt.org](http://www.mmt.org). The form provides information about the Trust's financial and charitable activities for the year as well as assesses any taxes owed to the IRS. Because of Meyer's ongoing commitment to transparency, we offer this Reader's Guide to highlight some of the key information in a clear and accessible way.

## **Payout**

### **How much was Meyer required to distribute in FY21?**

The Trust was required to distribute \$40,685,227 as shown on Page 8, Part XI, line 7. The term the IRS uses for the minimum 5 percent payout is the distributable amount. The actual amount of adjusted qualifying distributions for Meyer in FY21 was 5.89 percent, or \$49,033,866, as shown on Page 8, Part XII, line 6.

### **How is the required payout calculated?**

The IRS rules require Meyer to pay out 5 percent of its average non-charitable use assets, which is equivalent to the investment assets and any other assets that are not used directly in the charitable work of the Trust, adjusted for income tax and recoveries of amounts previously treated as qualifying distributions. This calculation is summarized on Page 8 in parts X and XI of the return.



## **What types of disbursements count toward Meyer's annual payout requirement?**

Grants paid, program-related investments, exempt operating costs (those that further Meyer's charitable purpose), and amounts paid to acquire assets used directly in carrying out charitable purpose (i.e. Meyer's new headquarters), all count toward payout.

### **Administrative and Other Costs**

## **What were Meyer's FY21 exempt expenses as a percentage of qualifying distributions and as a percentage of average assets?**

Total exempt expenses as a percentage of qualifying distributions was 16.59 percent (calculated as \$8,135,382 Page 1, Part I, line 24, column (d) divided by \$49,033,866, Page 8, Part XII, line 4). Survey results of peer foundations between \$500 million and \$1.5 billion in average assets reveal exempt expenses as a percentage of grant payout of 19.00 percent.

Total exempt expenses as a percentage of average assets was 0.98 percent (calculated as \$8,135,382, Page 1, Part I, line 24, column (d) divided by \$832,343,172, Page 8, Part X, line 5). Survey results of peer foundations between \$500 million and \$1.5 billion in average assets reveal exempt expenses as a percentage of average assets of 1.10 percent.



## Taxes and Other

### What kind of taxes does Meyer pay?

Meyer Memorial Trust is exempt from income taxes under IRS rules. However, the Trust is required to pay a 1.39 percent excise tax on net investment income.

Net investment income includes interest, dividends, net realized capital gains, and other investment income, minus expenses for managing investments. The net investment income figure used in this calculation is shown on Page 1, Part I, line 27b, column (b). The FY21 net investment income was \$105,905,886. In FY21, a 1.39 percent excise tax resulted in tax of \$1,472,092 as shown on Page 4, Part VI, line 5 of the 990-PF.

Meyer is also subject to unrelated business income tax under IRS rules due to the nature of the income derived from some of the investment vehicles held in the investment portfolio. This tax is calculated using the tiered corporate tax rate schedule.

## Meyer Memorial Trust FY21 990-PF Key Data Points

Topic	Line Reference	FY21	Comments
Administrative and other costs	Page 1, Part I, line 24, column (d)	\$8.14M	Consists of direct grantmaking expenses including salaries and operating costs of the staff who make and manage the grants, direct charitable expenses such as convening costs paid to support the work of our grantees, administrative costs to operate the Trust, including salaries and benefits for support functions, such as finance and human resources, professional fees, office expenses, etc. Represents the costs allocated toward charitable purposes that are included in Meyer's qualifying distributions in Part XII.
Grants paid	Page 1, Part I, line 25, column (d)	\$35.28M	Represents grants paid. No PRI's were made in FY21.
Excise taxes	Page 4, Part VI, line 5	\$1.47M	Meyer had a net gain position. Excise taxes are calculated as 1.39 percent of its net investment income as shown on Page 1, Part 1, line 27b column (b).
Compensation of officers, directors and trustees	Page 6, Part VIII, line 1(c)	\$814K	Meyer provides a listing of compensation and benefits paid to the Trust's officers and board of trustees. The retirement and deferred compensation amounts for Michelle represent part of her compensation package as CEO. A portion of the payments made in spring 2021 are catch-up amounts that relate to prior years.
Compensation of five highest-paid employees	Page 6, Part VIII, line 2(c)	\$2.07M	Meyer provides a listing of compensation and benefits paid by person for the five highest paid employees. See supplemental information on page 14.
Minimum investment return	Page 8, Part X, line 6	\$41.62M	Represents five percent of the total fair market value of Meyer's non-charitable use assets.
Distributable amount	Page 8, Part XI, line 7	\$40.69M	Equal to the minimum investment return with adjustments for tax and recoveries (PRI repayments). This represents the amount Meyer must distribute as qualifying distributions.
Adjusted qualifying distributions	Page 8, Part XII, line 6	\$49.03M	The amount the Trust actually spent for charitable purposes for the year. This includes \$5.61M (\$6.71M FY20) paid to acquire assets used (or held for use) directly in carrying out charitable purposes.

Topic	Line Reference	FY21	Comments
Actual distribution ratio	Page 8, Part XII, line 6 divided by Page 8, Part X, line 5	5.89%	Although the return does not display this ratio, it is calculated here. The required minimum distribution ratio is 5.0 percent.
Cumulative excess distributions	Page 9, Part XIII, line 9(a)	\$40.06M	The amount of excess distributions that Meyer may carry over and apply toward following years.