



Reader's Guide to the Form 990-PF

The annual Form 990-PF is a public document that provides information about a private foundation's financial and charitable activities. Meyer posts this form on its website at www.mmt.org. The form provides information about the Trust's financial and charitable activities for the year and assesses any taxes owed to the IRS. Because of Meyer's ongoing commitment to transparency, we offer this reader's guide to highlight key information in a more clear and concise way.

Payout

How much was Meyer required to distribute in FY20?

The Trust was required to distribute \$37,202,037 as shown on Page 8, Part XI, line 7. The term the IRS uses for the minimum 5% payout is the distributable amount. The actual amount of adjusted qualifying distributions for Meyer in FY20 was 6.08%, or \$45,750,800, as shown on Page 8, Part XII, line 6.

How is the required payout calculated?

IRS rules require Meyer to pay out 5% 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 FY20 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 18.38 percent (calculated as \$8,530,428 Page 1, Part I, line 24, column (d) divided by \$46,412,617, Page 8, Part XII, line 4). Survey results of peer foundations between \$500 million and \$1 billion in average assets reveal exempt expenses as a percentage of grant payout of 19%.

Total exempt expenses as a percentage of average assets was 1.13% (calculated as \$8,530,428 Page 1, Part I, line 24, column (d) divided by \$751,981,503, Page 8, Part X, line 5). Survey results of peer foundations between \$500 million and \$1 billion in average assets reveal exempt expenses as a percentage of average assets of 1%.



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 2% excise tax on net investment income, which can be reduced to 1% if it disburses an amount in excess of the average payout ratio for the past five years. Starting with FY21, Meyer will be required to pay a flat 1.39% excise tax.

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 FY20 net investment income was \$66,181,663. In FY20, a 1% excise tax resulted in tax of \$661,817 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 FY20 990-PF Key Data Points

Topic	Line Reference	FY20	Comments
Administrative and other costs	Page 1, Part I, line 24, column (d)	\$8.53M	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)	\$31.17M	Represents grants paid. No PRI's were made in FY20.
Average distribution ratio	Page 3, Part V, line 3	6.04%	Represents the distribution ratio used in determining the required distribution for Meyer to qualify for the 1% excise tax; this ratio is based on the average distribution ratios from the five previous years.
Reduced tax rate minimum distribution	Page 3, Part V, line 7	\$46.09M	The amount of distributions required by the Trust to qualify for the 1% excise tax.
Excise taxes	Page 4, Part VI, line 5	\$662K	Meyer had a net gain position. Excise taxes are calculated as 1% 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)	\$759K	Meyer provides a listing of compensation and benefits paid to the Trust's officers and board of trustees.
Compensation of five highest-paid employees	Page 6, Part VIII, line 2(c)	\$1.19M	Meyer provides a listing of compensation and benefits paid by person for the five highest paid employees.
Minimum investment return	Page 8, Part X, line 6	\$37.60M	Represents 5% of the total fair market value of Meyer's non-charitable use assets.
Topic	Line	FY20	Comments

	Reference		
Distributable amount	Page 8, Part XI, line 7	\$37.20M	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	\$45.75M	The amount the Trust actually spent for charitable purposes for the year. This includes \$6.71M paid to acquire assets used (or held for use) directly in carrying out charitable purposes.
Actual distribution ratio	Page 8, Part XII, line 6 divided by Page 8, Part X, line 5	6.08%	Although the return does not display this ratio, it is calculated here. The required minimum distribution ratio is 5%.
Cumulative excess distributions	Page 9, Part XIII, line 9(a)	\$38.74M	The amount of excess distributions that Meyer may carry over and apply toward following years.