



Reader's Guide to the Form 990-PF

The annual Form 990-PF is a public document that provides useful information about a private foundation's financial and charitable activities. Meyer posts the 990-PF form on its website at mmt.org. The form provides information about the foundation's financial and charitable activities for the year as well as assesses any taxes owed to the Internal Revenue Service (IRS).

Meyer is committed to transparency. To that end, we offer this Reader's Guide to highlight key information about our finances in a more clear and concise way.

Payout

How much was Meyer required to distribute in Fiscal Year 19 (FY19)?

Meyer was required to distribute \$38,011,293 as shown on Page 8, Part XI, line 7 of Meyer's Form 990-PF. The IRS requires a minimum 5% payout for charitable organizations. The actual amount of adjusted qualifying distributions for Meyer in FY19 was 6.21% or \$46,347,253, as shown on Page 8, Part XII, line 6.

How is the required payout calculated?

The minimum 5% payout required by the IRS is an average of non-charitable use assets, which is equivalent to investment assets and any other assets that are not used directly in the charitable work of the foundation—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 Meyer's Form 990-PF.



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 FY19 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 18.75% (calculated as \$8,736,499 Page 1, Part I, line 24, column (d) divided by \$46,591,885, 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 20.00% 2018 (FY19).

Total exempt expenses as a percentage of average assets was 1.17% (calculated as \$8,736,499 Page 1, Part I, line 24, column (d) divided by \$746,575,578, 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 1.10% for 2018 (FY19).



Taxes and Other

What kind of taxes does Meyer pay?

Meyer Memorial Trust is exempt from income taxes under IRS rules. However, the Meyer 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. 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 FY19 net investment income was \$24,463,180. In FY19, a 1% excise tax resulted in tax of \$244,632 as shown on Page 4, Part VI, line 5 of the 990-PF.

Meyer Memorial Trust 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 FY19 990-PF Key Data Points

Topic	Line Reference	FY19	Comments
Administrative and other costs	Page 1, Part I, line 24, column (d)	\$8.74M	<p>This consists of direct grantmaking expenses including salaries and operating costs of Meyer staff who make and manage the grants, direct charitable expenses such as convening costs paid to support the work of Meyer grantees, administrative costs to operate the foundation, including salaries and benefits for support functions, such as finance and human resources, professional fees, office expenses, etc.</p> <p>This also represents the costs allocated toward charitable purposes that are included in Meyer's qualifying distributions in Part XII.</p>
Grants paid	Page 1, Part I, line 25, column (d)	\$37.11M	This represents grants paid. No program related-investment (PRI's) were made in FY19. In FY18, Meyer made \$634K in PRI's, totalling \$36.49M in giving.
Average distribution ratio	Page 3, Part V, line 3	5.80%	This corresponds to the distribution ratio used in determining the required distribution for Meyer to qualify for the 1% excise tax; this ratio is based on average distribution ratios from the five previous years.
Reduced tax rate minimum distribution	Page 3, Part V, line 7	\$43.57M	The amount of distributions required by Meyer Memorial Trust to qualify for the 1% excise tax.
Excise taxes	Page 4, Part VI, line 5	\$245K	Excise taxes are calculated as 1% of its net investment income as shown on Page 1, Part 1, line 27b column (b). Meyer had a net gain position.
Compensation of officers, directors and trustees	Page 6, Part VIII, line 1(c)	\$1.93M	Meyer provides a listing of compensation and benefits paid to the foundation's officers and board of trustees. FY19 includes the last of two deferred compensation payments made to the former CEO per an employment agreement established in 2005.



Topic	Line Reference	FY19	Comments
Compensation of five highest-paid employees	Page 6, Part VIII, line 2(c)	\$1.00M	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	\$37.33M	This represents 5% of the total fair market value of Meyer's non-charitable use assets.
Distributable amount	Page 8, Part XI, line 7	\$38.01M	This is 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	\$46.35M	This represents the total amount that Meyer actually spent on charitable purposes for FY19. This includes \$747K 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	6.21%	Although the return does not display this ratio, it is calculated here. The required minimum distribution ratio is 5.0%.
Cumulative excess distributions	Page 9, Part XIII, line 9(a)	\$30.16M	The amount represents excess distributions that Meyer may carryover and apply toward following years.