



Updated 29 May 2019

## **How The NFYFC Subscription (Levy) Works**

1. The amount of money due to NFYFC from Clubs is known as the Base Subscription (Levy). The figure is £488,080.20 (accounting for the 20% increase that was adopted at the 2019 AGM). [The previous figure was £406, 733.50 as agreed at the 2018 AGM where an increase of 10% was approved by that meeting.
2. This base levy can only be varied by a percentage change agreed at an Annual General Meeting of the National Federation of Young Farmers' Clubs.
3. When the membership figures are received (31<sup>st</sup> August each year), the Base Subscription Levy is divided by the number of members of 'Open' YFC clubs (members are those aged 10 to 26 years on 31<sup>st</sup> August).
4. Some county federations do have members that are outside of the 10 to 26 age range - these are Associate Members.
5. From 1<sup>st</sup> September 2009 an Associate Levy became payable. This Associate Levy is calculated on a per head basis and is currently £10.00 per Associate Member (and Clubs should take a subscription/donation from these members).
6. School Club members do not pay a Levy to the NFYFC. School Clubs are not 'Open' Clubs as the members of the Club can be drawn only from the school community – thus a closed membership.
7. In addition the Guernsey and Jersey Federations do not pay a Levy to the National Federation.
8. **The calculations**
  - 8.1. **YFC members aged 10 to 26 years**
    - 8.1.1. Base Levy **£488,080.20** (2019 Base Subscription)
    - 8.1.2. Total Membership **23,311** (number of members aged 10 to 26 yrs declared at 31<sup>st</sup> August 2018 (the last confirmed number in **All Clubs**).
    - 8.1.3. Subtract members of **School Clubs 466**.
    - 8.1.4. Subtract **Guernsey & Jersey 147**.
    - 8.1.5. Total number of members for Levy and Insurance calculations **22,698**.
    - 8.1.6. Dividing £488,080.20 by 22,698 members gives a National Levy per member of £21.5032 rounded to **£21.50**.  
In early September each year invoices for the NFYFC Levy are issued to county federations to collect from clubs.
  - 8.2. **The calculations – Associate members**
    - 8.2.1. Associate Levy (£10.00). £10.00 multiplied by the number of Associate members declared on 31<sup>st</sup> August 2018.

### **2019 – a fall in membership.**

During 2019 the organisation's members has fallen. As of 29 May 2019 membership across the organisation has fallen by 12.25% (a fall of 2,950 compared with 01 June 2018). Recruitment patterns suggest that the NFYFC should expect approx 440 new members added to its database in June, July and August and if this is the case the fall in membership is predicted to be closer to 10%.

### **Predicted effects on the subscription billing 2019**

Based on the 2018 membership number the anticipated subscription per YFC members was to be £21.50

When accounting for a 12.25% fall in membership the predicted subscription per member is likely to be £24.51, a difference of £3.01.

9. The Base Levy system is designed to encourage YFC Clubs to recruit and retain members – as the Base Levy figure can be changed only by a percentage rate at the Annual General Meeting and is a gross figure rather than a per member figure. Clubs can recruit more members which in turn reduces the levy that is payable per member because the number of members is a larger number to divide the gross levy figure by.
10. Although the levy invoice is sent to county federations, they have no responsibility to pay from county federation funds. The role of the county federations is to divide the bill amongst its clubs **using their own formula**, which could be on a per capita basis or in some other way to encourage the expansion of membership. County Federations act as collecting agents only.
11. Invoices for the NFYFC Levy are raised and mailed in September each year. They must be paid in full by 30<sup>th</sup> November. Failure to settle the NFYFC Levy invoice in full will result in the members of a YFC club, or a whole county federation having the privileges of YFC membership being withdrawn.

### **12. County Levy**

In most cases county federations also have in place a levy system of one kind or another to help finance the running costs of the county federations. The amount charged by county federations varies enormously – approx £10 per member in some county federations and £50 in others.

### **13. Insurance – policy provided by the NFU Mutual**

The NFYFC purchases insurance on behalf of each member. At September 2018 the insurance premium for the whole of the YFC membership is just under £140,600.50. This premium is divided by the number of members of the Open Clubs excluding Guernsey and Jersey (22,698) to calculate the premium per YFC member aged 10 to 26 yrs.

The insurance premium per member for the period 1<sup>st</sup> September 2018 to 31<sup>st</sup> August 2019 is **£6.19** per member. At the time of writing (29 May 2019) the NFU Mutual is unable to provide an indication of the renewal premiums as it is more than three months away from the renewal date - it is too early for the policy claims for the insurance year to be reviewed in full – this is pertinent as historically the Show and Rally season of May, June and July are peak risk months in terms of activities and the claims history.

The NFYFC sends an invoice to each county federation in early September each year (as soon as the premium is known) and the county federation in turn will invoice each club. As with the levy the county federation acts as the collecting agent and has no responsibility to pay from county federation funds.

Invoices are sent to county federations in early September each year and **MUST BE** paid in full (cleared funds) by 30<sup>th</sup> September in order for the Insurance Policy to remain valid in for each YFC member (10 to 26 yrs) and each club and county federation.

END

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