# Rector letter of agreement

*between*

**The Wardens and Vestry of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Episcopal Church, in**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (location: town, village, city), the Bishop/Ecclesiastical**

**Authority of the Diocese of Central New York, and the Rev. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

who has been called as rector on a \_\_\_\_\_\_ % time basis beginning \_\_\_\_\_\_\_\_\_\_\_\_\_\_. It is the understanding that this tenure will continue until dissolved by mutual consent, subject in any case to the approval of the bishop.

## Preamble

The tenure is to continue, in accordance with the Canons of the Episcopal Church and the Canons of the Diocese of Central New York, until such time as it is dissolved, by mutual consent or by arbitration and decision as provided by the Canons of the Episcopal Church.

The Rector shall lead as presbyter, sharing in the councils of this congregation and of the whole church, in communion with our Bishop. It is our understanding that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Episcopal Church is a baptismal community, the Body of Christ, in which each person is given gifts to do God’s work.

Therefore, the Rector shall support the members of the congregation in living out their baptismal ministry of bearing witness to Christ and carrying on His work of reconciliation in the world. In particular, the Rector is expected to be with the congregation to proclaim the Gospel, to administer the sacraments, and to bless and declare pardon in the name of God. The Rector’s work includes not only activities directed to this congregation and its wellbeing, but also activities on behalf of the Diocese and the community.

In order to faithfully engage in the work of ministry in the Episcopal Church, the Rector and Vestry pledge to conform to the diocesan and The Episcopal Church canons regarding the church property and land. The Rector and Vestry pledge to hold the buildings and property of the church in trust and will not seek by overt or covert means to subvert or remove the parish or other property from the Episcopal Church.

The ministry is further described in the Rector’s Position Description that meets the mutual approval of the Priest, Wardens and Vestry, which is hereby acknowledged and will be made part of this Letter of Agreement after a separate meeting when all parties will participate in developing the Position Description.

### Section A: Times of Work and Leave

1. The rector’s schedule is \_\_\_\_\_\_\_time, which usually consists of \_\_\_\_\_ hours during a normal workweek including Sunday. The distribution of these hours will be negotiated with the Vestry. In general, no more than 2 evenings per week are expected. The Rector is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.
2. The Rector will offer some of his/her time in service to the Diocese. Such service may include, but not be limited to; mentoring or overseeing locally ordained or commissioned persons, teaching, committee or project work, or other such tasks as may from time to time be asked of her by or on behalf of the Bishop, Diocesan Convention, Diocesan Board, or the Standing Committee.
3. The Rector will have the following periods of leave at full compensation:
	1. Federal Holidays, to be taken so as not to interfere with worship for major occasions.
	2. Annual Vacation of four weeks, including five Sundays. Vacation time shall not be cumulative and may not be carried forward into a succeeding year, unless by previous arrangement under extenuating circumstances, as arranged with and approved by the Wardens.
	3. Professional Development Leave at the rate of two weeks per year, including one Sunday.
	4. The Rector shall be eligible for a Sabbatical time after the sixth year of service, and every sixth year thereafter. A Sabbatical time is three (3) months in length, and not more than (4) months, if the Rector elects to append his/her vacation time to expend the Sabbatical for the fourth month. It is agreed that normatively, following a sabbatical, the Rector will remain in his/her position for at least twelve months. The Bishop must be notified by the Rector six (6) months prior to taking a Sabbatical leave.
	5. Clergy Sick Leave Policy – If illness or injury inhibits the rector’s performance or causes the rector to be absent on a Sunday morning, a warden shall be notified. The wardens are to be dually concerned with the rector’s and parish’s health. If repeated or chronic absence of the rector becomes a factor in the life of the parish, then the rector, a warden or both shall notify the Bishop.
4. The Rector, Wardens, and Vestry recognize and affirm the importance of making every reasonable effort to ensure the successful foundation of this ministry, and therefore agree that the Rector will participate fully in the diocesan AIM (Adventures in Ministry) program. The goals of this program are to 1) build trust and relationship among clergy in the group 2) develop relationships with other leaders in the diocese 3) equip clergy with knowledge and skills for a successful and faithful ministry 4) offer diocese connections and support for clergy. It is required that clergy attend 12 sessions within two years (you can choose based on your schedule, or the topics offered). AIM is generally held once a month at the diocesan offices.

### Section B: Compensation and Benefits

**The Vestry will pay the following compensation:**

1. **Annual cash salary:** $\_\_\_\_\_\_\_\_\_\_\_\_
2. **Housing**: the Rector will:
	1. Receive a cash **Housing Allowance of $\_\_\_\_\_\_\_\_\_\_\_**

**OR**

* 1. Live in the church owned rectory. (To estimate the value of church provided housing, CPG determines the value to be the amount equal to 30% of the cash salary, plus cost of utilities paid by the vestry, and SECA allowance.)

**Housing Value of Rectory: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Equity Allowance**: Clergy who live in church-owned housing will receive an equity allowance. (The purpose of this requirement is to build an equity fund for housing after retirement).

**Equity Allowance (to be deposited in a 403B account): $\_\_\_\_\_\_\_\_\_\_\_**

1. **SECA Allowance**: For the purpose of Social Security & Medicare taxes,

Clergy are considered self-employed and are subject to a 15.3% tax rate. According to Diocesan policy, clergy must be reimbursed for 50% of this tax. The SECA Allowance will be paid to the Rector as additional cash compensation (7.65% of the sum of (1) cash salary and (2) housing allowance or Housing Value of Rectory.)

**SECA Allowance: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**The Vestry will pay the following benefits:**

1. **Church Pension Fund assessment** on the sum of the Rector’s annual cash salary, housing value or allowance, utilities if paid by vestry, SECA allowance, and equity allowance (if required). **Pension $\_\_\_\_\_\_\_\_\_\_\_\_\_\_**
2. **Health and Hospital Insurance (HHI)** according to current diocesan policy, unless equivalent or better HHI is provided independently through the employment of the Rector’s spouse. In this case, the Rector may sign a waiver to forgo the HHI plan, and the Vestry may consider an amount equal to the HHI premium for a single individual for the purchase of an annuity.

**HHI Coverage: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Workers’ Compensation Insurance**, as required by State Law.

### Section C: Expenses/Professional Matters

The Vestry will pay the following expenses incurred by the Rector in fulfilling the duties of office: *Note: the following expenses are not intended to be additional compensation above the annual cash salary expressed in Compensation & Benefits, Section B (1). In the event this Rector position is vacated, such funds shall remain within the parish.*

1. Automobile expenses and travel. The use of the Rector’s private automobile for church business is to be reimbursed at the rate per mile, which is the current IRS allowable amount, plus out-of-pocket expenses, such as parking, tolls, etc., and other travel expenses, to an annual limit of $\_\_\_\_\_\_\_\_\_\_.
2. The normal expenses of the church’s office operation, such as telephone, postage, office equipment, supplies, computer, internet service, etc.
	1. Professional Development Leave, two (2) weeks per year, as stated in Times of Work and Leave, Section A, 3 (c).
	2. Consideration of a Professional Development Expense Allowance
	(for course or seminar enrollment, books, vestments, periodicals, etc.)
	to a limit of: $\_\_\_\_\_\_\_\_per year
	3. The cost of a cell phone—this phone number to be published to insure the Rector’s accessibility in case of emergencies.
	4. Sabbatical Time: three months earned after 6 years according to Diocesan policy and stated in Times of Work and Leave, Section A, 3 (d).
	5. Consideration of a Sabbatical Time Expense Allowance (sabbatical course or seminar enrollment, travel, books, vestments, periodicals, etc.) to a limit of $\_\_\_\_\_\_\_ and a Supply Clergy Expense Allowance to a limit of $\_\_\_\_\_\_\_. It is *recommended* $1,200/year be accrued over six (6) years for a total of $7,200 with $3,600 (50% of accrued amount) being applied to Supply Clergy and parish expenses with the remaining $3,600 (50% of accrued amount) being applied to sabbatical assistance for the priest.

### Section D: Discretionary Fund

In accordance with the Canons of the General Convention, a Discretionary Fund is to be established under the Rector’s sole direction. It is to be funded from the following sources: \_\_\_\_\_\_\_\_\_\_\_ (budgeted figure, alms of appointed Sundays, etc.), and from gifts given the Rector for the purposes of the Discretionary Fund.

All deposits to the Discretionary Fund are to be made through the General Fund of the congregation, are to be audited annually at the time of the required congregational audit, and are not to be used to defray clergy expenses that are subject to reimbursement from the operating budget, or personal expenses, or to supplement the clergy person’s compensation. Monies in the Discretionary Fund remain with the church when the Rector leaves.

In every case, the administration and operation of the Discretionary Fund is to be in accord with the current edition of the Episcopal Church’s Manual of Business Methods in Church Affairs, and with Diocesan Policy.

### Section E: Supplementary Compensation

The Rector will not charge fees for performing any rites of the Church (for example, baptisms, marriages, funerals) for members in good standing of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Episcopal Church.

The Rector, may, however, receive income from other sources, such as:

Sacramental services on behalf of persons not in any way related to the parish.

Fees and honoria for professional services performed on personal time for groups unrelated to the parish or for sermons, books or articles published outside the parish.

### Section F: Use of Buildings

In addition to use and control of the Church and Parish buildings for the discharge of duties of the Rector’s office, as provided by canon law, the Rector will have the right to grant use of the buildings to individuals or groups from outside the parish, following guidelines in accordance with the parish’s building use policy approved by both Rector and Vestry.

### Section G: Mutual Ministry Review

The Rector, Wardens and Vestry agree to an annual discussion and mutual review of the total ministry of the congregation, in order to:

Provide the Rector, Wardens, and Vestry an opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share.

Establish goals for the work of the congregation and the Rector for the coming year.

Isolate areas of conflict or disappointment that have not received adequate attention and may be adversely affecting mutual ministry in order to develop appropriate remedies.

Clarify expectations of all parties for the most effect conduct of the life and ministries of the congregation.

A mutually agreed upon third party may be engaged to facilitate the mutual ministry review process.

The Mutual Ministry Review is designed to focus on the direction and the effectiveness of the ministry of the entire congregational community, and should be conducted with as large and broad a group of members as possible.

### Section H: Annual Evaluation

The Rector, Wardens, and Vestry recognize and affirm the fact that Clergy Evaluation is an entirely separate process from the Mutual Ministry Review, and that the Rector is entitled to an Annual Performance Evaluation. This process is designed to focus on their own personal gifts and skills, their effectiveness in applying those gifts to the stated demands of their particular ministries, and the identification of areas for future professional development.

It is further recognized that meaningful evaluation is extraordinarily difficult without the previous existence of specific, clear, measurable, and achievable, goals. Initially, this will be based on the Position Description as described in the Preamble, and the Responsibilities of the Rector as described in the Parish Position Profile. Future modifications to that description are to be by mutual agreement of the Rector, Wardens, and Vestry.

The Annual Performance Evaluation Process should be conducted or overseen by the Warden(s) or by the appropriate supervisory group, and the findings and recommendations communicated in a meeting between the Rector and Wardens. All vestries should review compensation annually and be mindful of the change in the Consumer Price Index and consider an annual cost-of-living raise for their priest. (Note: the Vestry may take into consideration the recommendation of the Ministry Support Committee, a Committee of the Diocesan Board, the cost-of-living increase percentage based on the changes over the prior year.)

### Section I: Other Agreements

1. The Rector will begin duties in the parish not later than \_\_\_\_\_\_\_\_\_\_\_\_ (date).
2. All pay and benefits will become effective on \_\_\_\_\_\_\_\_\_\_\_\_\_ (date) and the first paycheck will be paid on: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date). Note: NYS Labor Law, Section 191, requires a semi-monthly payment basis on the 15th and final day of the month.
3. All moving and travel expenses incurred in making the move from \_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_will be paid by the parish. Moving expenses will include family travel, transporting household goods, reasonable temporary accommodations during the move and other incidentals.
4. This Letter of Agreement, and its related Position Description, will be made part of the minutes of the next Vestry meeting following its signing, and copies will be given to each new Vestry member, so long as it remains in effect.
5. This letter may be revised only by mutual agreement of all the parties, and with the consent of the Bishop, at the time of the annual mutual ministry review, except that revision of compensation and expenses will be mutually agreed upon in a separate budget process.
6. This agreement is the result of negotiations between the parties. It is the complete agreement between the parties. Any and all other agreements, oral or written, between the parties that are not incorporated into this document are superseded by this agreement. In addition, should any provision of this Agreement conflict with the Constitution and Canons of the General Convention or with the Constitution and Canons of the Diocese of Central New York, that provision alone will be deemed null and void.
7. If the Rector and Vestry are in disagreement concerning interpretation of this Letter of Agreement, either party may appeal for mediation to the Bishop, the Bishop remaining the final arbiter.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Rector

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Please print name

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Date Warden

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Date Warden

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Reviewed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Transition/Deployment Officer Date

Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bishop Date