# PRIEST-IN-CHARGE 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 Priest-in-Charge for a term of three (3) years, beginning \_\_\_\_\_\_\_\_\_, 20\_\_\_. After 24 months, the relationship may be made permanent, with the Bishop's prior approval, by the Vestry electing the Priest-in-Charge as Rector, and executing the appropriate Letter of Agreement. If the Vestry, Priest-in-Charge, or the Bishop decide after 24 months that the Priest-in-Charge will not become Rector, the relationship shall continue for a period of twelve months, unless earlier dissolved by mutual consent, subject in any case to the prior approval of the Bishop. This period shall be used by the parish to initiate the search and calling process, or otherwise address the question of clergy leadership, and by the Priest-in-Charge to seek another call while continuing to function as Priest-in-Charge.

## Preamble

The Priest-in-Charge 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Church is a baptismal community, the Body of Christ, in which each person is given gifts to do God’s work.

Therefore, the Priest 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 priest 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 priest’s work includes not only activities directed to this congregation and its well-being, 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 Priest and Vestry pledge to conform to the diocesan and The Episcopal Church canons regarding the church property and land. The Priest 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 Priest’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 priest-in-charge’s schedule is \_\_\_\_\_% time, which usually consists of \_\_\_\_\_\_\_\_ hours during a normal workweek. The distribution of these hours will be negotiated with the Vestry. In general, no more than 1-2 evenings per week are expected. The Priest is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.
2. The Priest-in-Charge will offer some of his/her/their 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 Council, or the Standing Committee.
3. The Priest-in-Charge 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 Priest-in-Charge shall be eligible for a sabbatical time after the sixth year of service, and every sixth year thereafter. Service as Priest-in-Charge shall be counted toward sabbatical time should the priest be called as rector. A Sabbatical time is three (3) months in length, and not more than (4) months, if the Priest elects to append his/her/their vacation time to extend the sabbatical for the fourth month. It is agreed that normatively, following a sabbatical, the priest-in-charge will remain in his/her/their position for at least twelve months. The Bishop should be notified by the priest six (6) months prior to taking a sabbatical leave.
   5. Clergy Sick Leave Policy: If illness or injury inhibits the priest’s performance or causes the priest to be absent on a Sunday morning, a warden shall be notified. The wardens are to be dually concerned with the priest’s and parish’s health. If repeated or chronic absence of the priest becomes a factor in the life of the parish, then the priest, a warden or both shall notify the Bishop.
4. The Priest-in-Charge, Wardens, and Vestry recognize and affirm the
5. importance of making every reasonable effort to ensure the successful foundation of this ministry, and therefore agree that the priest will participate fully in the 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

1. The Vestry will pay the following compensation:
   1. The Priest-in-Charge’s annual cash salary will be paid at regular intervals on mutually agreeable times. The Priest-in-Charge’s annual cash salary is to be reviewed and adjusted annually.
   2. Housing: the Priest-in-Charge will:
      1. Receive a cash Housing Allowance determined by Parish  
         Note: Upon the priest’s request, the Vestry can designate a portion of the priest’s annual cash salary, for IRS purposes, as a “Housing Allowance” under the Federal Internal Revenue Code, in an amount as requested by the priest.

OR

* + 1. Live in the church owned rectory and the parish will pay the cost of standard utilities.
    2. Parish will pay a “housing equity allowance” to clergy living in church owned rectory.
  1. The priest will receive half of the self-employment tax liability (SECA) on the total cash salary and housing allowance or Fair Rental Value of the Rectory plus Equity Allowance.

1. The Vestry will pay the following benefits:
   1. Church Pension Fund Assessment on the sum of the priest’s total annual cash salary, housing, utilities, housing allowance, and SECA amount. The Church Pension Fund assessment includes coverage for life insurance and disability coverage.
   2. Health and Hospital Insurance (HHI) according to current diocesan policy, unless equivalent or better HHI is provided independently through the employment of the priest’s spouse.
   3. Workers’ compensation Insurance, as provided by State Law.

**Compensation:**

1. General
   1. Cash Salary $\_\_\_\_\_\_\_\_\_\_\_ annually
   2. Social Security (SECA) $\_\_\_\_\_\_\_\_\_\_\_ annually  
      (paid to priest as cash)
2. Housing
   1. Cash Allowance $\_\_\_\_\_\_\_\_\_\_\_ annually  
      OR
   2. Rectory Provided (realtor to determine Fair Rental Value of house)  
      House value: $\_\_\_\_\_\_\_\_\_\_\_
      1. Standard utilities (fuel, electricity, water,   
         sewer, refuse removal) $\_\_\_\_\_\_\_\_\_\_\_ annually
      2. Optional utilities   
         (lawn care, snow removal) $\_\_\_\_\_\_\_\_\_\_\_ annually
      3. Maintenance budget for minor repairs  
         periodic redecorating, etc. (to be managed  
         by cleric. At end of year, unused amount  
         to be escrowed by Treasurer for future  
         rectory maintenance) $\_\_\_\_\_\_\_\_\_\_\_ annually
      4. Property/Fire Insurance $\_\_\_\_\_\_\_\_\_\_\_ annually  
         insurance on house, paid by parish  
         insurance on contents, paid by cleric
3. Benefits
   1. Pension (18% total compensation:  
      salary, SECA, housing, utilities, equity) $\_\_\_\_\_\_\_\_\_\_\_ annually
   2. Health Insurance Premium $\_\_\_\_\_\_\_\_\_\_\_ annually
   3. Dental Insurance (Optional) $\_\_\_\_\_\_\_\_\_\_\_ annually
   4. Group Life Term Insurance
      1. provided by pension fund included w/pension  
         (equal to 1x annual cash compensation)
      2. $20,000 may be added by parish $\_\_\_\_\_\_\_\_\_\_\_ annually  
         (above is optional)
   5. NYS Workers Compensation Insurance included w/parish
   6. Equity Allowance over and above stated compensation for clergy residing in church owned housing in order to reduce the adverse economic impact of not accumulating equity in a house *(to be deposited in a tax-deferred account for priest)*  $\_\_\_\_\_\_\_\_\_\_\_ annually

### Section C: Expenses/Professional Matters

The Vestry will pay the following expenses incurred by the Priest-in-Charge 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) (A). In the event this Priest-in-Charge position is vacated, such funds shall remain within the parish.*

1. Automobile expenses and travel. The use of the Priest-in-Charge ’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 ensure the priest’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 priest’s sole direction. It is to be funded from the following sources: \_\_\_\_\_\_\_\_\_\_\_ (budgeted figure, alms of appointed Sundays, etc.), and from gifts given the priest 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.

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 priest 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 priest, 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 priest’s office, as provided by canon law, the priest 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 the priest and Vestry.

### Section G: Mutual Ministry Review

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

Provide the Priest-in-Charge, 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 Priest-in-Charge 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 Priest-in-Charge, Wardens, and Vestry recognize and affirm the fact that Clergy Evaluation is an entirely separate process from the Mutual Ministry Review, and that the Priest-in-Charge 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 Priest-in-Charge as described in the Parish Position Profile. Future modifications to that description are to be by mutual agreement of the Priest-in-Charge, 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 Priest-in-Charge 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. (See

Appendix C.)

### Section I: Other Agreements

1. The Priest-in-Charge will begin duties in the parish not later than \_\_\_\_\_\_\_\_\_\_ .
2. All pay and benefits will become effective on \_\_\_\_\_\_\_\_\_\_\_\_\_.
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 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 Priest-in-Charge 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 Priest-in-Charge

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

Please print name

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

Date Warden

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

Please print name

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

Date Warden

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

Please print name

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

Transition/Deployment Officer Date

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

Bishop Date