

Vestry Manual



The Episcopal Church in the Diocese of Central New York

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NOTE: this manual is updated periodically. To view the most current version of please visit: <http://cnyepiscopal.org>. Click on the Training & Resources Tab.

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UNDERSTANDING THE ROLE AND WORK OF THE VESTRY

I. THE BISHOP, THE DIOCESE AND THE PARISH

A diocese is the fundamental geographical unit of the church. It is the only ecclesiastical entity whose boundaries are precisely defined by canon law. A parish or mission is by canon law subordinate to the Diocese, and a congregation may call itself "Episcopal" only because it is in union with the Bishop, the Diocese and the Episcopal Church. The Diocese of Central New York is further divided into 9 districts.

As chief pastor of the diocese, the Bishop is required by canon law to visit each congregation at least once every three years. The Bishop also pays a visit on occasions other than the official visitation to teach, preach, meet with the Vestry, dedicate new buildings, lead special worship services and confirm new members. District and area visitations are also a feature of this episcopacy, during which a particular district or geographical area is targeted for the presence and attention of the bishop. Through the Office for Transitional Ministry and the Deans, the Bishop also works with parishes in conflict and with congregations seeking new clergy. The Bishop's primary contact, however, is with the deans and clergy of the diocese.

The purpose of the Bishop's official visitation is to be present to teach, preach, celebrate the Eucharist, baptize and confirm, if there are candidates, and look over the parish register. The Bishop is not a visiting dignitary or a guest in the parish, but comes as the leader of the church in the Diocese to learn of the parish's vision and dreams, to hear of the hopes and concerns of parishioners, and to remind the congregation that it is part of a national and worldwide church, called to mission and ministry in the world.

The Constitutions and Canons of the Diocese sets forth the procedure for organizing parishes and missions. Included in the canon are the conditions of consent, the reclassification of a parish as a mission, the revival of a parish from mission status, and provisions regarding the constitution and by-laws of parishes, missions, and summer chapels.

Our Vision: "To be the passionate presence of Christ for one another and the world we are called to serve."

Our Mission: "To restore all people to unity with God and each other in Christ" (BCP p. 855, from An Outline of the Faith).

We will do this by:

† Being committed not to mere survival, but by being a vibrant, vital Church for the people of the 21st century. We will be a Church grounded in the mystery of Christ; deeply prayerful; prophetic (as in daring to speak the truth even when difficult); offering radical hospitality; and, filled with infinite respect.

† Addressing the spiritual crisis in our midst. The main thing has too often ceased to be the main thing, as in keeping ourselves centered on God. We must be a clear vehicle of the Holy Spirit for

the transformation of ourselves and all God's people. Our Diocesan Formation Program will be central in training leadership, lay and ordained, for this age. We will reclaim our baptismal promises as the basis for our ministry, reclaim our passion as the people of God and once again astonished by the Gospel of Jesus Christ.

† The Diocesan Board owning its call "to articulate the mission of the Diocese; formulate strategies to carry out that mission?" We will be willing to encourage and enable all of us to make the at times hard decisions necessary to better live out the ministry of the Gospel in Central New York.

† Being clear about who we are as a Diocese. No longer are we working primarily a one priest/one parish model.

† Always striving to become more mission oriented. We will develop mission teams in cooperation with district structures to better support ongoing ministries and strategize for newly forming ministries arising among us. To this end we will exercise flexible deployment policies. The Diocesan Formation Program will prepare people for ministry who are committed to this perspective. One of our mission priorities needs to be with youth, 21 years and younger.

† Seeking to live by the example of Jesus as we seek to touch and be touched by the lives of the alienated, the unchurched, the least, the so-called unclean, disenfranchised and marginalized.

† Having a Commission on Ministry that incarnates Title III of the Canons of the Episcopal Church to be more deeply faithful as we better prepare people for living out the ministry of all the baptized for this time.

† Supporting and developing a viable ministry of the diaconate that will be a cornerstone for ministry in Central New York. We will have deacons in every parish who will assist us in being the Church's conscience for interpreting the needs of the world to the Church and keeping us connected to the communities we are called to serve. They will enable the ministry of all the baptized.

† Continuing to develop a Diocesan Staff with members who each clearly understands her or his role as servant, being available to the parishes of the Diocese to assist the people of God in the work they are called to do. In so doing we will help instill confidence among us in the stewardship of our resources; the development of faith-filled and excellent leadership; communication to share the stories of God working among us and how we live together as the Body of Christ in Central New York; ministry to and with youth that continues gathering young people from around the diocese, yet is focused on locally based ministry; new mission opportunities for service and growth; and, deployment strategies which recognize the needs of individual parish communities along with the wider mission of the Diocese and the realities of Central New York.

† Beginning preparation for a capital campaign to develop the resources necessary to carrying out our vision.

† Having a clear and unwavering commitment to being a Safe Church for everyone who walks through our doors and all to whom and with we minister in Christ's name.

II. VESTRY ORGANIZATION: See also the Extracts from the Laws of New York (located in the last section of the Journal of the Diocese of Central New York.)

The canons of the church give exclusive authority over the fiscal affairs of the parish to the Vestry. However, the mission of the Vestry should be viewed as broad-ranging. Vestry members are also spiritual leaders who are committed to building up the Body of Christ so that it can be an effective instrument of mission and ministry in the world.

To serve on a Vestry, one is expected to:

- 1) be a baptized Christian enrolled as a member of the parish, 18 years of age or older;
- 2) have been regular in attendance at worship in the year preceding election;
- 3) have been a contributor to the support of the parish in the year preceding election.

These are qualifications not only for election but for continued service on the Vestry. A Vestry member exercises her or his leadership by participating in the parish's worship, spiritual life and mission to the world through one's faithful stewardship of time, talent, and treasure as able.

To serve as a Warden, one is expected to: fulfill the requirements to serve on a Vestry and in addition, be a Confirmed Communicant of the Episcopal Church.

Terms of office: Terms are set by the By-Laws of the Parish or the typical term of three years. A Vestry may not have less than three or more than 9 members and of two wardens. Some very small congregations have the minimum number allowed by the canons.

Vestry responsibilities:

See also Canons of the General Convention Title III Canon 9.

While by-laws vary from congregation to congregation, the following are characteristics of a Vestry: Having been duly elected by the congregation, the Vestry represents the parish formally in relationship with the Rector. The Vestry is responsible for:

- assuring that the congregations have adequate ordained and lay leadership and that parish finances and properties are managed appropriately;
- seeing that each member of the parish is asked to make a financial pledge for the support of the mission of the church;
- developing (more often by delegating the budget's initial development to a finance or budget committee of the parish) and then approving the annual budget for presentation to the parish at Annual Meeting;
- seeing that the parish's assessment by the Diocese is paid annually and that there is an annual audit of all financial records, internally and at least every three or four years by an outside auditor;
- work with the Rector to discern, articulate, and carry out the mission of the parish;
- help create and promote programs and activities that achieve the ministry of the parish;

- play a liaison role between parish members and clergy and staff, supporting good communications among all members of the church;
- represent members of the congregation to clergy and in turn help the parish understand the work the clergy are doing and the pressures they may be under;
- maintain adequate accounting records in conformity with forms provided by the Diocesan Treasurer to record all funds received and expended;
- mobilize the parish in terms of financial and human resources in order to realize the mission of the parish;
- create a well-planned strategy for various types of fundraising;
- support the ministry of every member of the parish and the Rector;
- evaluate candidates for Postulancy;
- establish a regular review of ministry to evaluate and refine the work of the parish;
- be examples of spiritual leadership committed to building up the Body of Christ.;
- choose lay and alternate delegates to Diocesan Convention, according to the specifications in Canon II, Sec. 1 of the Canons of the Diocese of Central New York.

The Wardens form the principal unit of leadership in the parish. The Senior Warden may be elected by the parish at the annual meeting, elected by the Vestry, or the Rector may be empowered to appoint the Senior Warden from among the ranks of Vestry members. Sometimes the Senior and Junior Wardens serve together as co-wardens, dividing duties between them. The Junior Warden is either elected by the parish at Annual Meeting or elected by the Vestry from among its members. It is not necessary, and is sometimes even undesirable, for the Junior Warden to be responsible for parish properties.

Duties of a Warden

1. Share privately with the rector insights, concerns, and issues which may face the Congregation.
2. Interpret the Rector's role and expectations to the people.
3. Act as consultant and advisor to the Rector.
4. Support the Rector's effort to make the committees of the church work.
5. In the absence of the rector, to see that a supply priest is there for services.
6. Make certain that a register of all Baptisms, Confirmations, Marriages, and Burials, as well as a list of communicants in good standing is kept. (It is suggested that the Vestry inspect these books quarterly.)
7. Prior to early February of each year, it is the senior warden's responsibility to see that the Annual Parochial Report is submitted to the Diocesan Treasurer on the forms provided by the National Church and distributed by Diocesan Treasurer.

Property: The title to parish property is held by the Vestry in trust and is secured against alienation from the Episcopal Church in the Diocese of Central New York. This includes both real estate and financial resources. This in no way inhibits the right of the Rector and Vestry to the control of the property for the purpose of carrying out the mission and ministry of the congregation. The Vestry is responsible for the maintenance and upkeep of the property. Any

proposal to make a major architectural alteration of the property must be submitted to the Standing Committee, and indebtedness that would encumber or alienate the property must be approved by the Bishop and the Standing Committee of the Diocese.

The chair of the **Property committee** should be the person in the parish most knowledgeable and skilled in maintenance of buildings and grounds, whether a member of the Vestry or not. A model relationship between the wardens is characterized by a sharing of responsibilities of leadership in collaboration with clergy. A division of responsibilities might be clarified informally in an annual planning and review of the mission and ministry of the congregation.

The **clerk**, or secretary, of the Vestry is elected either by the parish at Annual Meeting or by the Vestry, and need not be a member of that body. The clerk keeps minutes of meetings, gives notices of meetings to the parish, and maintains Vestry records.

The **treasurer** is elected either by the parish at Annual Meeting or by the Vestry, and need not be a member of the Vestry. As with all offices, the treasurer can serve a specific term as defined by the parish by-laws. The treasurer deposits and disburses funds and oversees financial record keeping. Treasurers do not control parish finances but are stewards who serve at the direction of the Vestry. The Treasurer is appointed by the Vestry. The duties on the parish treasurer will vary, depending on the size and complexity of the parish. Irrespective of size, the treasurer is the Chief Financial Officer and is responsible for the following:

1. Preparing monthly financial statements and reporting the financial status of the parish to the Rector, Vestry, and then the Congregation on a scheduled basis.
2. The parish financial records for pledges, receipts, disbursements, payables, and all assets and liabilities shall be maintained in accordance with the "Manual of Business Methods in Church Affairs". Full disclosure of all funds entrusted to the parish shall be practiced.
3. Assist the vestry with financial planning, including preparation of the annual budget.
4. Insure that all financial aspects relating to the clergy are duly performed in a correct and timely manner. Such items as pension, health, dental, and life insurance premiums, housing, travel, sabbatical, continuing education, Social Security, and stipends are to be considered.
5. Establish and maintain the necessary controls and procedures to prevent the unauthorized use of parish resources.

Those who so generously volunteer their time to serve as parish treasurers should not approach their responsibilities with any apprehension that they are entering a mysterious new world of church accounting. Although there are areas of difference between what many people recognize as business accounting and church accounting methods, by following the uniform principles, reporting practices, and financial statements as shown in the "Manual of Business Methods in Church Affairs" the parish treasurer will find that record keeping can be an orderly task.

Some Vestries operate with an executive committee consisting of the "officers,"--i.e., the two wardens, the clerk, the treasurer--and the Rector. The executive or officers' committee may meet regularly to plan the Vestry agenda and to act as a steering committee, and it can be empowered to act on behalf of the Vestry in emergencies.

Meetings: The Vestry usually meets once a month, and sometimes takes a month off during the summer. Special meetings may be called according to the by-laws or Canons etc. The reason for the meeting must be specified in the notice. If, however, the congregation is without a Rector, the wardens alone may call a special meeting.

The Rector is canonically responsible for presiding at all Vestry meetings, although he or she may, from time to time, delegate that responsibility to a warden or Vestry person. During an interim period, meetings may be run by the wardens since they are canonically “in charge.” *As the primary role of the Rector is to preside at the Eucharist and over the spiritual life of the parish. The Rector is considered the presiding officer at Vestry meetings.* If, however, the compensation of the Rector is being considered, it may be appropriate for the Rector to leave the room so that the Vestry can freely discuss compensation for the coming year under the direction of the wardens. On other occasions when the Vestry wishes to discuss confidential matters with the Rector, a vote may be taken to go into executive session so that no one else is in attendance. (Canon III.9.5 and 1.14.3)

Committees: Committees or commissions are set up to reflect the mission of each parish. They may include finance, education, property, evangelism, investment, mission or outreach, stewardship, congregation life and worship, to name a few. At least one member of the Vestry may serve as a liaison on each of the main committees, but the chair of the committee need not be a Vestry person. On some Vestries each seat represents a major committee and new members are elected to particular seats or responsibilities. In smaller congregations such a committee structure may not be possible or desirable.

Vestry Retreat: An ideal way to do annual planning and to develop a sense of mission, common purpose, and community among Vestry members is to have a vestry retreat once a year after the election of new members. Such a time is well utilized when spent at a place away from the church and held overnight. Planning weekends may prove most productive when an outside leader is used, but congregations using local talent and the resources of their own members also enjoy successful retreats. Depending on the different purposes the retreat is designed to serve, included in these weekends may be worship, Bible study, community building exercises, fellowship, mutual ministry evaluation, review of past goals and future goal setting.

Records Management and Archives: In addition to the physical plant of the parish or mission, the Vestry is responsible for the records of the parish. Regardless of the source of the records-- Vestry, Rector, clerk, treasurer or other person acting on behalf of the parish--those which document the activities of the parish and its members are the property of the parish. Some records are permanent, and others do not need to be kept beyond certain legal or administrative limits. These limits are described in records retention schedules in both the *Manual of Business Methods in Church Affairs* (Episcopal Church, USA, New York, 1 January 1995) and *Parochial Records and Archives of the Episcopal Church" A Guide to Their Proper Care and Management* (Mark J. Duffy, Episcopal Diocese of Massachusetts, 1986). The first is available through the Episcopal Church Center in New York, NY.

The diocesan canons mandate that the "Rector (or Vicar), or in case of vacancy or absence the Wardens, shall appoint a Parish Historian who shall be accountable to the governing body of the parish or mission.... The Parish Historian shall collect and maintain the non-current records of

the parish...." (Canon 3, Sec. 4, par. 7). Through the Parish Historian the parish or mission can fulfill its responsibility for permanent records. The canon also states that the "Registrar-Historiographer may accept endangered records of active parishes and missions for deposit in the Diocesan Library and Archives as space permits. Such material shall be placed under a formal deposit agreement and remain the property of the parish or mission." Also, the Diocesan Archivist is available to all parishes and missions for consultation and to assist in the care of parish records.

III. PARISH LAY STAFFING

Staff: In consultation with the Rector, all staff positions--i.e., the parish administrator, administrative assistants, assisting clergy, youth workers, educators, choir directors, and organists--are created and funded by the Vestry. Personnel filling those positions are hired by and serve at the discretion of the Rector and are accountable to the Rector. The Rector may work collaboratively with a nominating or personnel committee in the selection of staff.

Hiring Policy: It is wise that a parish not hire members of the congregation to be employees. Employees of the congregation should not serve on vestries for reasons of conflict of interest. When the working relationship or the job performance of a staff member is unsatisfactory, conflict and tension may develop in the life of a parish if the employee is also a member of the congregation. A clear hiring policy and job description help to avoid such situations.

Background Check: As part of the Episcopal Diocese of Central New York's Professional Conduct Policy, the Diocese has adopted a policy that a background investigation is required for all clergy, youth workers, and lay employees over the age of 18 years working for the Diocese or in one of its parishes. To conduct a background check, complete the form provided on the diocesan website (Tools for Congregations/Forms/Background Verification Authorization).

Lay Employee Pension and Health Care benefits: There are specific Pension and Health Care benefits a parish must offer to lay employees, depending on the hours worked annually. The current benefits document may be found at: www.cnyepiscopal.org/Tools for Congregations/Lay Employee Pension and Health Benefits.

Safe Church Training: Within six months of their employment, all parish and church school employees must take the training offered by the Diocese of Central New York. The Diocese mandates that "all clergy, volunteers who regularly supervise youth activities and employees" have training about issues of child sexual abuse, and that "all clergy and employees" have training about issues of adult sexual harassment and sexual exploitation. It is further expected by the Bishop that all wardens, Vestry Members, Eucharistic Ministers, and Eucharistic Visitors (any licensed ministry) take both the adult and child modules of sexual misconduct awareness training. In the event of suspected sexual misconduct or abuse--child or adult--the Bishop's Office and/or the Diocesan Intake Officer should be contacted. Pastoral care, healing, restitution, repentance, forgiveness, justice, amendment of life and reconciliation among all involved or affected will be

vigorously and confidentially pursued." The name and contact information for the current Diocesan Intake Officer may be obtained by contacting the Bishop's Office.

Anti-Racism Training: The House of Bishops, in 1994, urged all Episcopalians to engage in mission activities designed to dismantle the "persistent and pervasive racism" that exists in church and society. General Convention, also, passed resolutions calling for anti-racism training for all ordained and lay leaders at all levels in the church at the 70th and 73rd general conventions. In the Diocese of Central New York, the Anti-Racism Task Force has been formed to develop and carry out training programs for parishes and other diocesan groups. The purpose is not only to change people's hearts, but also to transform a socio-economic system that drives many into poverty and despair. The sessions are led by a team of volunteer Episcopalians who have themselves received training in the concepts and group dynamics of anti-racist education. Great care is taken to create a prayerful, trusting environment in which all feel safe to speak candidly. For information on training dates and locations, please visit the diocesan website and click on the Training & Resources tab.

IV. NORMS FOR WORKING TOGETHER

Prayer: Prayer and the study of Scripture should always be a regular part of the life of the Vestry. Vestry members are spiritual leaders of the congregation, and that dimension of their life and work needs to be nurtured and nourished. This means much more than having a perfunctory prayer at the beginning of the meeting: taking time to reflect and to listen to God before launching into Vestry business centers the members and the meeting in its real purpose for being.

Decision-making: A number of important decisions, such as the calling of a new Rector or establishing a major new direction for the parish, may be made by consensus rather than by formal vote. A consensus does not mean that everyone wholeheartedly supports a decision but that everyone can live with and support it. The Vestry talks together and listens to different viewpoints to gain clarity on an issue. Routine decisions are made by a majority vote. These decisions should not take up an inordinate amount of the Vestry's time through lengthy discussion and debate in order to get a consensus.

Meeting length: It is recommended that a Vestry meeting, or any meeting for that matter, not last more than two hours. After two hours the energy level goes down, and there are diminishing returns on the Vestry's efforts. Items on the agenda not dealt with should be first on the agenda of the next meeting of the Vestry, or authority to make the decision can be delegated to a committee. If meetings typically last longer, holding bi-monthly meetings or farming out to sub-committees may produce greater efficiency. Vestry meetings are usually open to members of the parish, who may observe without power of vote. Guests may speak if recognized by the chair of the meeting. When the Vestry goes into executive session to discuss personnel or other matters of a confidential nature, the meetings or a portion thereof are closed.

Behavior: Our baptismal covenant commits us to respect the dignity of every human being. We are to speak the truth in love and to build up the Body of Christ. Vestry members are obligated to

Speak up in Vestry meetings. Everything that needs to be said should be said there and not in the parking lot after the meeting or in subsequent telephone conversations. If a Vestry member has differences with another Vestry member or a member of the clergy, those concerns should be addressed directly to the party involved. "Triangulation" around an issue is never a healthy practice.

Conflict: A certain amount of conflict is healthy and normal, but conflict unacknowledged and unresolved is destructive. What we can learn through our conflicts is that grace abounds even in unexpected places and situations. Try not to let conflicts in your Vestry and in your congregation go unattended or they will escalate. The Bishop, Diocesan Staff, and the Deans stand ready to work with parishes not only to resolve major conflicts but to anticipate them and help deal with them productively.

Access to the Bishop and his staff is immediate for clergy and parish wardens in time of conflict or pastoral need. The Wardens and Rector of a parish in conflict are encouraged to seek help from the Bishop's office. Without an invitation from the Vestry to intervene in a parish situation, the Bishop and his staff do not generally get involved in a parochial conflict. Parishioners with "gripes" are advised to speak to members of the Vestry and make their dissatisfaction known through the elected lay leadership of a congregation. It is believed that conflict cannot be resolved unless all the parties involved talk openly and honestly with one another, thereby building up the Body of Christ by speaking the truth in love.

Stewardship: As leaders of the congregation and trustees of the parish resources, Vestry members should exemplify responsible commitment in their own giving and in the management of the resources of the parish. Each Vestry member is encouraged to work toward a tithe in his or her own giving. We cannot expect or ask others to do what we ourselves will not do. Vestry members have the opportunity to demonstrate giving as an essential dimension of the Gospel. A Vestry is called to have a vision of the church which is beyond the immediate interests and survival needs of the local congregation. Stewardship goes beyond maintenance in reaching out and giving resources away to meet the needs of God's people in the world and extending the mission of the church. Experience has shown that those congregations with vision and commitment are healthy and thriving.

V. MUTUAL MINISTRY REVIEW

Mutual Ministry Review is **not** a performance evaluation of the Rector. It is a time for both parish and priest to reflect upon how the church, in its broadest sense, has accomplished its goals. It is a way to ask questions about what God is calling the church to do at a particular time. Furthermore, it is a way to determine jointly the needs of the congregation and community and the gifts of the "ministers"--lay and ordained--of the congregation in meeting those needs. Such a thoughtful evaluation may be the first step in creating a long-range plan for ministry.

Mutual Ministry Review the first year of a new pastorate. When Mutual Ministry Review occurs in the first year of a new pastorate, it is appropriate to review expectations, goals, and the ways in which the vestry, clergy, and congregation see these early months. For priests, it is a

time to look at expectations they may have had about their role and working relationships, if and how the goals outlined in the OTM Portfolio and parish profiles can be realized, and to join in an effort to make the whole ministry truly mutual. For the vestry and lay leadership it is a time to consider their role in creating the kind of parish community they want, their expectations and the realities of the new ministry, and to share in the giving and receiving of feedback. It is a time to speak the truth with love so that differences between expectations and realities can be shared and honest dialogue about the future can take place.

Mutual Ministry Review is not conflict resolution. It may give rise to discussion of differences and to sharing ideas about different views of innovation and change. But if the church and its congregation are facing conflict, there are other processes available to help them. Mutual Ministry Review is for churches who want to look at their achievements and challenges and to set and agree upon joint goals for ministry. It is also for the vestry and leadership of churches who want to begin the process of being more intentional about ministry by reviewing what the church is currently doing.

Suggested Strategies. The three or four hours set aside for an annual mutual review are a time to get to know each other better, for Vestry and other leaders and clergy to talk together about ways to improve their working relationships, to talk about how the various church activities and programs are meeting the needs of the church and its members, and to look at new ideas for ministry. It is a time to ask:

"What is working well and what needs our attention?"

"Do we need to make changes in our stated goals?"

"Are our goals relevant to where we find ourselves today?"

"Are our expectations fair, realistic, a stretch--but not impossible?"

In the best of all circumstances, evaluation occurs on an informal basis all the time. The formal review is a process for stimulating open discussion so that appropriate change can be planned, instead of happening casually in the parking lot after church, on the phone, or during coffee hour.

Developing excellence in lay and ordained ministry cannot be accomplished by one person but requires the whole community. Excellence occurs when the laity and the clergy leadership are committed to a shared vision of God's calling for the ministry of their congregation. The partnership is essential. Evaluating only the priest's work toward the vision demeans the role of the laity and denies the possibility of growth and development of their ministry--of their relationship to God through God's church.

While we constantly struggle with the idea of whether or not we are really being faithful to God's call, the idea of a formal review or evaluation is often threatening and scary. But without taking the time to ask, "Where are we going? And how are we doing in getting there?" opportunities to live out our faith are lost.

VI. MINISTRY SUPPORT to CLERGY COMPENSATION

Letter of agreement/Covenant of Ministry: All financial arrangements, vacation times, benefits, duties and responsibilities should be carefully written down in a covenant of ministry which is drawn up at the time of the call. A sample Letter of Agreement can be obtained from the Office of Transitional Ministry. After the Letter of Agreement is signed by the priest, wardens, and Bishop, the terms of the agreement cannot be changed without the written agreement of all parties.

Salary: The Ministry Support Committee of the Diocesan Board meets to consider questions of salary, housing, benefits, and other aspects of the financial package that clergy negotiate with congregations. Their recommendations and guidelines are included in a detailed report given to the Diocesan Board for approval and published annually and passed by vote at Diocesan Convention. Copies of the report are available through the Office for Transitional Ministry.

Total clergy compensation (or TCC) includes a cash stipend, a housing allowance (or use of a rectory and utilities), and, social security reimbursement. For clergy living in church owned housing, a housing equity allowance is required.

Mandated benefits include health insurance, and 18% pension (which includes life insurance) paid on the TCC, reimbursement for travel in the form of tolls, parking, fees and mileage. Additional aspects of the package may include reimbursement for, dental insurance, funds to be used for continuing education as well as 1-2 weeks for the same purpose, and 4 weeks of annual vacation.

By Canons & Constitutions the Rector's salary must be paid in the amount agreed upon in the Letter of Agreement and on the date agreed upon. Neither a Vestry nor a treasurer may reduce without formal re-negotiation or withhold the salary of a cleric.

Housing: Housing situations vary from parish to parish. Although some clergy now own their own homes rather than live in the parish rectory, the wisdom of this practice continues to be debated. The Vestry provides an equity allowance for the Rector living in a rectory which will be paid annually throughout the Rector's tenure. The Office of Transitional Ministry has information regarding housing equities.

Continuing education and sabbatical leave: It is required that every cleric in the Diocese of Central New York have continuing education leave annually. The Vestry should be informed of the cleric's continuing education plans. Time for continuing education is to be used annually and not accrued. Continuing education and sabbatical leave are not considered extended vacation but time for professional training and enrichment necessary for the health, vitality, and renewal of both clergy and congregation. Thus, congregational budgets should reflect adequate preparation for both. It is recommended that the parish allow and plan for sabbatical leave. In planning for this the Church should set aside \$100.00 per month, half the amount would be for the priest to use for the sabbatical and half the amount would be used by the parish to pay for supply priest in

the absence of the rector. *The sabbatical accrual is to be used by the parish to provide clergy coverage during their rector's sabbatical and allows a parish to offer the priest some money to use for sabbatical.*

Collaboration: The Vestry and the Rector work together as a team. Both the Rector and the Vestry are concerned about the spiritual life of the congregation, and both are concerned about the more mundane matters such as money and the leaky roof. When canonical rights and duties are inflexibly insisted upon, resentments may emerge. The best working model for Vestry and Rector is the collaborative one, each recognizing and respecting the province of the other.

Rector's responsibilities: The Rector is responsible for the worship, music, education, and spiritual welfare of the congregation. Such responsibility includes the oversight and administration of parish staff and ministries, as well as the use of parish facilities. See Canons & Constitutions of the Episcopal Church, III.9.5

Clergy Compensation

There are three documents which govern clergy compensation (All three documents may be found on the diocesan website.)

The first is the Letter of Agreement drawn up at the time of the call and approved by the Bishop. The Letter specifies compensation and benefits as well as duties and responsibilities. The Letter can be changed only by mutual agreement of the cleric and the Vestry and with the approval of the Bishop. There are six forms of the Letter of Agreement: (1) for a rector, (2) for a priest in charge, (3) for a parish priest, (4) for a supply priest, (5) interim rector, and (6) interim consultant.

The second document is the Compensation Package Worksheet for Clergy. There are two versions: (1) for clergy with a rectory and (2) for clergy without a rectory. The worksheets contain calculations for pension and Social Security and are useful for arriving at figures for the annual budget.

The third document is the Clergy Compensation Resolution summarized in Clergy Compensation Requirements adopted by the Diocesan Convention each November. The resolution has a number of sections which apply to both full and part time clergy.

Clergy Housing

Some clergy live in the parish rectory; some clergy live in their own homes. Clergy who live in a rectory receive an annual equity allowance to compensate for not building up equity in their own home. Clergy living in church owned housing are entitled, for IRS tax purposes, to designate a portion of their cash compensation as housing allowance. Clergy who live in their own home receive a housing allowance. The vestry should adopt an annual resolution setting the amount of the housing allowance. The amount should be determined in consultation with the cleric, since for tax purposes the cleric must be able to show that the entire housing allowance is spent on housing expenses.

Staff

In consultation with the Rector, all staff positions--i.e., the parish administrator, administrative assistants, assisting clergy, youth workers, educators, choir directors, and organists--are created

and funded by the Vestry. Personnel filling these positions are hired by and serve at the discretion of the Rector and are accountable to the Rector. The Rector may work collaboratively with a nominating or personnel committee in the selection of staff.

Hiring Policy

It is wise that a parish not hire members of the congregation to be employees. Employees of the congregation do not serve on vestries for reasons of conflict of interest. When the working relationship or the job performance of a staff member is unsatisfactory, conflict and tension may develop in the life of a parish if the employee is also a member of the congregation. A clear hiring policy helps to avoid such situations.

Lay Employee Benefits

General Convention adopted two resolutions in 2009 which mandate that lay employees receive health insurance and a pension plan no later than January 1, 2013. Pension plan membership is required for employees scheduled to work at least 1,000 hours (essentially half-time) a year. Health insurance is required for employees scheduled to work at least 1,500 hours (three-quarter time) a year.

VII. INVESTMENTS

Parishes have the opportunity to participate in the Diocesan Unified Investment Fund Program through two funds designed to meet two distinct time horizon needs. One is the Long-Term Fund, which is designed to meet long-term capital growth and income needs (ten or more years), and the other is the Intermediate-Term Fund which is designed to address capital withdrawal needs that are anticipated within three to five years.

The investment program is currently managed by Alesco Advisors, a Pittsford-based firm that has over \$1.4 billion under management and was selected in early 2011 by the Diocese to manage Diocesan investments and assets entrusted to the Diocese by parishes and other CNY Episcopal institutions. The record keeper is NRS, a nationally known firm that provides administration of the accounts, performs monthly valuation and provides ready access to account information. Issues that had been raised in the past by parishes have been addressed by this new program through the combination of Alesco's investment expertise and NRS' administrative capability. Alesco has proven to be a worthy and responsive partner through the transition to this new program.

Alesco Advisors was founded in 2000, is an SEC-registered investment advisor, and is independent and 100% employee-owned, with approximately 260 institutional and high net worth clients. Their investment philosophy is to focus on asset allocation, diversifying and rebalancing to reduce risk through efficient and optimized index-based portfolios that offer lower costs and turnover compared to other investment managers.

Performance is overseen by the Diocesan Board and the Investment Committee, with reports available electronically on a quarterly basis for participating parishes. In addition, there is an investment policy statement that provides guidance to Alesco Advisors with respect to

performance expectations, including the application of the policy on socially responsible investing.

There are a number of reasons to consider the program, including that the larger the pool of total assets the greater the opportunity to reduce fees, that it is an outsource opportunity, and that it is an opportunity to ease the fiduciary burden associated with managing the succession of a parish investment committee, over time.

Currently non-participating parishes who are interested finding out more about the program are encouraged to call a member of the Investment Committee or the Diocesan Controller at 315/474-6596 or email: office@cnyepiscopal.org. As needed, we also would be glad to put interested parishes in contact with Alesco Advisor representatives to learn more about Alesco and the investment program.

Currently non-participating parishes should also review the Memorandum from the Chancellor to the Investment Committee dated April 18, 2012 related to Vestry legal obligations with respect to investments. This appears as Appendix C of this manual.

Appendices

A: Vestry Manual Site Links and Documents

The Diocesan website has links to documents and websites that will help aid the Vestry in its' work. Please visit <http://cnyepiscopal.org>, click on Tools for Congregations to find information on the following topics: Clergy Compensation Resolution, Health Insurance for Clergy and Lay Employees, Compensation Packages, Letter of Agreement, Diocesan Constitution and Canons, and many other topics.

B. Frequently Asked Questions and Answers

1. Who calls a Rector?

The Rector is called by the Vestry with the approval of the bishop. Sometimes the By-laws of a parish require that a vote to affirm the call of a candidate selected by the Vestry. A Vestry usually delegates to a Search Committee the task and responsibility of identifying a priest to call as Rector. The congregation neither directly hires nor fires a Rector. In some cases the Vestry is the Search Committee.

2. May the Vestry terminate the employment of a Rector?

No. The position of Rector is a tenured position, and a Rector leaves a parish only in the event of death, retirement, resignation (with the consent of the Vestry), or removal under provisions of canon law. When a Rector and Vestry cannot mutually agree to dissolve their pastoral relationship, the Bishop is at first a mediator and as a last resort an arbitrator, in which case the bishop's decision is final and must be obeyed by both parties.

3. May the treasurer or the Vestry withhold the salary of the Rector if they do not believe that the Rector is doing an adequate job?

No. The compensation agreed upon must be paid. A Letter of Agreement is drawn up at the start of a Rector's tenure and is reviewed periodically; ethically, its terms must be followed.

4. May the Vestry reduce the Rector's salary as an expression of disapproval?

No. The Letter of Agreement between the Rector and Vestry is a legal contract to which both parties must be faithful; the Letter of Agreement may be reviewed annually and renegotiated.

5. How should a Vestry respond to a conflict with the Rector or a conflict between the Rector and a faction of the parish?

Members of the Vestry are encouraged to voice concerns to the Rector directly, either privately or in a Vestry meeting. The Rector should always be part of the conversation. If the process is not fruitful, the wardens have access to the ministry of the bishop. Working through the conflict is the first course of action advised.

6. The Rector is out of town and the Vestry wants to have a meeting to discuss the Rector's salary. May they do this?

No. The Vestry meets at regularly scheduled times and the meetings are presided over by the Rector. Special meetings of the Vestry may be called only by the Rector or by a majority of the members of the Vestry in writing, stating the purpose of the meeting. The Rector always presides unless the Rector delegates that responsibility to a Warden or another Vestry person.

7. Who hires clergy assistants?

The Rector. A curate, assistant or associate Rector serves at the discretion of the Rector, so defined by the canons. Staff positions are, however, created with the approval of the Vestry and included in the annual budget for which the Vestry has responsibility.

8. Who hires and fires staff?

The Rector has the right to hire staff whose salaries have been determined and provided by Vestry planning, and the Rector may terminate staff as well. In larger congregations, a personnel committee often provides welcome guidance to a Rector making such critical decisions.

9. Who elects the Vestry?

The congregation, at its Annual Meeting. Most commonly, a third of the Vestry is elected each year and serves for a three-year term. Vacancies during a term are filled by the Vestry or elected at Annual Meeting from a slate presented by a nominating committee.

10. May the Rector screen the list of Vestry candidates and remove those who do not agree with him or her about parish policy?

No. A slate of nominations is usually prepared by a nominating committee (elected by the previous annual meeting of the parish or by the Vestry), and the slate is presented to the Annual Meeting. An opportunity for nominations to be made from the floor may be encouraged. It is the practice in some congregations to have more candidates than the number of positions to fill, in other congregations to have "uncontested" elections.

11. Who chairs Vestry meetings?

It is the Rector's canonical responsibility to preside at Vestry meetings, though from time to time the task may be delegated to a Warden or other Vestry member.

12. Can the chair of a Vestry meeting who is also a member of the Vestry vote on matters before the Vestry?

Yes, but only in the event of a tie.

13. When a Priest-in-Charge or Interim is serving the parish, who chairs the Vestry meetings?

The Wardens are the canonical authority in a parish without a Rector *and there is no interim rector or priest in charge* and they may conduct Vestry meetings. In a congregation with a Priest-in-charge or Interim Priest serving whose responsibility is to normalize parish life, the Priest-in-Charge or the Interim generally chairs the meetings.

14. Should formal Rules of Order be used at a Vestry meeting or an Annual Meeting?

The use of rules of order is preferable but not required at these meetings. When the Diocese meets in convention it uses Robert's Rules of Order.

15. When is it appropriate to go into Executive Session at a Vestry meeting?

When matters of a sensitive nature are discussed which require confidential treatment by the Vestry. In Executive Session, all visitors are asked to leave the meeting and no formal minutes are taken.

16. Do members of the parish have voice and vote at a Vestry meeting?

Vestry meetings are open as a rule to members of the parish who are welcome to express their views to the Vestry formally if recognized by the chair of the meeting; however, only members of the Vestry are allowed to vote.

17. Can the Rector vote at Annual Meeting?

No, except in the event of a tie. The Rector is considered a member of the clergy of the Diocese and not a member of the parish, even though the Rector makes a financial pledge to the parish. Typically, the Rector does chair the Annual Meeting.

18. Does the congregation approve the parish budget at the Annual Meeting?

No. The Vestry is fully responsible for the financial matters of the parish and presents the budget at the parish Annual Meeting only for informational purposes. It is incumbent on the Vestry to give a full accounting to the parish on the financial condition of the parish.

19. Can the Bishop visit a parish without a formal invitation?

Yes. The Bishop is the leader of the Church in the Diocese.

20. Must a parish financially support the mission of the diocese?

Yes. Canon law states that every parish must give financial support to the mission of the diocese.

21. What is the difference between a Rector, a Vicar, a Priest-in-Charge and an Interim Priest?

A Rector is called by the parish to be its ordained leader. A Vicar, appointed by the Bishop provides clergy leadership to a congregation. A Priest-in-Charge serves at the discretion of the Bishop for a limited tenure to accomplish certain goals, and may be a candidate for Rector, depending on the terms set forth initially. An Interim Priest is appointed by the Bishop to serve a parish during its search for a new Rector, and the Interim Priest may not be a candidate for Rector of that parish under any circumstances.

22. In a situation where the organist and the Rector disagree on musical matters and decisions, who has the final say?

The Rector.

C. Restrictions on Holdings of Church Assets

SHULMAN CURTIN & GRUNDNER, P.C.
Attorneys at Law

MEMORANDUM

TO : Investment Committee
Diocese of Central New York

FROM : PJC 

DATE : April 18, 2012

RE : Restrictions on Holding of Church assets

Article II, Section 5 of the Religious Corporations Law of the State of New York reads, in part, as follows. "The Trustees of every Religious Corporation shall have the custody and control of all the temporalities and property, real and personal, belonging to the Corporation and of the revenues therefrom, and shall administer the same in accordance with the discipline rules and usages of the corporation and of the ecclesiastical governing body, if any, to which the corporation is subject...". This particular section further states "(that) they may transfer all or any part of the real or personal estate of such corporation **to such bank or Trust Company organized or existing under the laws of the State of New York, or to a national banking association whose principal office is located in the State of New York as may be designated by them or to a holding company organized under the laws of the State of New York of the same religious demonization**".

This particular section is clear and unequivocal and in my opinion, if in fact, vestries do not adhere to the strict guidelines imposed by the statute that they are in violation of the Law and in turn, will have breached their fiduciary obligations to the Parish and the Greater Church.

Hopefully this addresses any outstanding issues that the Committee may have, however, if I can be of further assistance or provide additional information or commentary to you, please do not hesitate to contact me.

End of Memo

PJC/jmm