



Vestry Handbook

Understanding the Role and Work of the Vestry

Episcopal Diocese of Atlanta

This handbook, last revised February 2009, from earlier work, was in “draft” form for several years. Here, we present our latest edition to further the mission of the church in this diocese, following practices and policies developed over the years. As helpful as we hope this handbook is, we know asking and answering questions between diocesan staff and parish leaders is still the best way to provide helpful information. We encourage that conversation.

This Handbook is not inclusive of all policies and procedures, and may be amended.

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Understanding the Role and Work of the Vestry

I. THE BISHOP, THE DIOCESE AND THE PARISH

Diocese. A diocese is the fundamental geographical unit of the church. It is the only ecclesiastical entity whose boundaries are precisely defined by canon law. The Diocese of Atlanta consists of all of the upper part of the state of Georgia north of a line running on a diagonal from below Columbus and Macon to north of Augusta. Two counties and part of a third, adjacent to Chattanooga have been ceded to the Diocese of East Tennessee. The Diocese of Atlanta covers 25,000 square miles and has 56,121 baptized members currently in 95 parishes. Episcopalians in North and Middle Georgia worship in local congregations but also have a commitment to the mission and ministry of the whole diocese. The parish is by canon law subordinate to the diocese, and a congregation may call it "Episcopal" only because it is in communion with the Bishop, the diocese and the Episcopal Church in the United States of America.

Convocations. The Diocese of Atlanta is also subdivided into 10 regional convocations. Each convocation is presided over by a dean, appointed by the Bishop. Convocations are charged with mission development in their area, building networks of support for clergy and laity, and providing shared worship and education opportunities. Convocations meet prior to Council to elect members to the Executive Board of the diocese and to nominate people for other elected positions in the diocese.

The Bishop. The Bishop is the chief pastor of the diocese. Because he is unable to be present in each congregation each Sunday, presbyters, or priests, serve as his delegates and representatives in local congregations. Clergy are not members of their congregations, but are members of the diocese.

The Bishop is required by canon law to visit each parish at least once every three years. The Bishop's "official" visitations are regularly scheduled in a rotation throughout the diocese, but the Bishop(s) come on occasions other than the official visitation to teach, preach, meet with the vestry, celebrate new ministries, dedicate new buildings, lead special worship services and confirm. The Bishop's office also works with parishes in conflict and congregations seeking new clergy.

The purpose of the Bishop's official visitation is to be present as the chief pastor of the diocese to teach, preach, celebrate the Eucharist, baptize and confirm if there are candidates, and examine the parish register. The Bishop comes as the leader of the church in the diocese to learn of the parish's vision of mission and ministry, 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 some areas of the world where most members of that congregation are never likely to go.

The Executive Board of the Diocese. This board of elected representatives (by each convocation) and appointed members (by the Bishop), serves as “the Council in recess,” administering the month-to-month affairs of the diocese. The Bishop, or his designee, preside at the monthly meetings where budget and financial reports are reviewed, and matters of continuing governance are discussed and voted upon.

The Standing Committee. This committee of three lay and three clergy, one-third of whom are elected to serve three year terms by Annual Council, serve as a council of advice to the Bishop, and have defined functions established in the Canons of the Episcopal Church (consents to the election of bishops being one). This Committee advises the Bishop on property encumbrance matters and is the final step for Candidates for Ordination. The Committee serves as the Ecclesiastical Authority in the absence of a Bishop Diocesan.

The Parish. Canon 30 of the Diocese of Atlanta (see appendix) sets forth some specific requirements for a worshipping community to be a parish: regular worship services throughout the year, Christian education, pastoral care and visitation; stewardship of time, talents and financial resources; and evangelism and outreach to the community in which it is located. A parish exists when the congregation is self-supporting and also contributes proportionately of its human and financial resources to the ministry of the Diocese and the Episcopal Church. Canon 20 of the Diocese of Atlanta requires that each parish will contribute its fair share to the support of the mission which is ours in North and Middle Georgia.

Any congregation that receives financial aid from the diocese is an aided parish. If in the opinion of the Bishop a congregation does not meet the basic requirements of Canon 30, including compliance with Canon 20, he may recommend to the diocesan Council that a parish's status be changed to that of *aided parish*. The Bishop is the rector of an aided parish and appoints the vicar to serve as his representative.

Parish Bylaws. Parishes should be incorporated and have bylaws. A sample set of bylaws is available through the Bishop's office. The chancellor of the diocese is prepared to answer any canonical or legal question a vestry may have regarding the affairs of the parish.

Property. Both real and personal parish property is held by the vestry in trust for the Episcopal Church and the Episcopal Diocese of Atlanta and is secured against alienation from the Episcopal Church in the Diocese of Atlanta. This includes both real estate and financial resources. Real property may not be bought or sold without the permission of the Bishop and the Standing Committee.

The rector and vestry are in charge 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. All buildings and their contents shall be kept adequately insured. Any major architectural alteration of the property must be submitted to the diocese's Commission on Church Architecture and Construction.

Indebtedness which would encumber or alienate property must be approved by the Bishop and the Standing Committee of the diocese. Debt service for all indebtedness cannot exceed 20% of the prior year's annual receipts without consent of the Bishop and Finance Department.

II. VESTRY ORGANIZATION

The canons of the church give exclusive authority over the fiscal affairs of the parish to the vestry. But 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.

Vestry Qualifications

To be elected to the vestry, one must:

- Be a confirmed member of the Episcopal Church enrolled as a member of the parish, 18 years of age or older.
- Have been regular in attendance at the services of the church in the year preceding election.
- Made and maintained a financial commitment to the parish, known to the treasurer, in the year preceding election.

These are qualifications not only for election but for continued service on the vestry. A vestry member should lead the way in participation in the worship life and financial support of the parish. A sample job description is found in the Appendix.

Terms of Office. The term of a vestry member is for three years, and a vestry member is not eligible for re-election in the year following the expiration of his or her term. A vestry may have not less than three nor more than 21 members. Congregations with more than 600 members may have up to 30 members on the vestry. Some very small congregations have the minimum number allowed by the canons. Since a vestry is a working body, even large congregations should not have a vestry so large as to be unwieldy. Twelve is an ideal number; fifteen is a bit awkward, and anything larger is difficult to form into a working body.

The Senior Warden may be appointed by the rector, or elected by the vestry. In most parishes the rector makes the appointment. The senior warden is traditionally the "rector's warden" and should be someone who is an enthusiastic supporter and co-worker with the rector. It does not serve the best interests of the parish if the senior warden and rector are working at cross purposes.

The Junior Warden is elected by the vestry, and may, by custom, be responsible for property or financial matters. Some junior wardens are unequipped and untrained for those roles. The chair of the property or finance committee should be the person in the parish who is most knowledgeable and skilled in those areas, whether a member of the vestry or not.

The Clerk, or Secretary, of the vestry is elected by the vestry and need not be a member of that body.

The Treasurer is elected by the vestry and need not be a vestry member. As with all offices, the treasurer should serve a specific term, e.g., three years. Treasurers do not control parish finances, but are stewards who serve under the direction of the vestry.

Most vestries have an **Executive Board of the Vestry**, empowered to act on behalf of the vestry in emergencies.

The vestry also elects delegates to the **Annual Council**. The number of delegates is determined by the size of the congregation as set forth in the constitution of the diocese. Any member of the parish may serve as a delegate. Many vestries elect delegates to serve one, two and three years so that their delegation to council will have continuity. Delegates to Annual Council are not elected by the congregation.

Meetings. The vestry usually meets once a month, and sometimes takes a month off during the summer. The canon law of the diocese requires that vestries meet at least six times a year. The rector may call a special meeting or such a meeting may be called by a majority of the vestry in writing. The reason for the special meeting must be specified in the notice. If the parish is without a rector, the senior warden may call a special meeting. The rector presides at all vestry meetings but may, in special cases, delegate that responsibility to the senior warden. However, since the primary role of the rector is to preside at the Eucharist and over the spiritual life of the parish, the rector should be the presiding officer at vestry meetings. When the annual compensation of the rector is being considered, it is appropriate for the rector to ask the senior warden to preside and to leave the room so that the vestry can freely discuss compensation for the coming year. In the event of a vacancy in the office of rector, the senior warden presides.

Committees. The vestry is usually organized into committees or commissions. These may include finance, education, property, evangelism, mission or outreach, stewardship, parish life and worship. At least one member of the vestry serves on each of these committees, but the chair of the committee need not be a vestry person.

Every vestry organization should be constructed so as to serve the mission of the congregation. Not all vestry organizations, therefore, will follow the same pattern. In smaller congregations such a committee structure may not be possible or desirable, and the vestry may function as a committee of the whole.

Annual Planning. There should be an annual vestry planning day or weekend. This time is best utilized when it is spent at a place out of town. Planning weekends or days are most productive if an outside leader is used, but parishes can also have very productive weekends using local talent. Included in these weekends is a time of worship, Bible study, community building, fellowship, mutual ministry evaluation, review of past goals and goal setting.

III. NORMS FOR WORKING TOGETHER AS A VESTRY

Contemplation. By resolution of the 2008 Diocesan Council, all meetings should begin with a time of consideration of how the work accomplished in the meeting will impact the poor.

Prayer. Prayer and the study of Scripture should 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 must be nurtured and nourished. Otherwise, their work will be flat and empty. You should do more than have a perfunctory prayer at the beginning of the meeting. You should take time to reflect and listen to God before taking up the business.

Consensus Decision-Making. Important decisions, such as the calling of the rector or establishing a major new direction for the parish, should be made by consensus. 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 what every one has to say long enough for "clearness" to emerge. If there is not consensus, then the decision is not acted upon.

On the other hand, routine decisions should be 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. A vestry meeting, or any meeting for that matter, should not last more than two hours. After that time, the energy level goes down and results in diminishing returns on the vestry's productivity. Items on the agenda not dealt with should be a priority on the agenda of the next meeting of the vestry, or, authority to make the decision can be delegated to the Executive Board or a committee.

Behavior. Our baptismal covenant commits us to respect the dignity of every human being. This includes our fellow vestry members and the clergy. We are to speak the truth in love and to build up the body of Christ. Vestry members are obligated to speak up in the vestry meetings. Everything that needs to be said should be said there and not in the parking lot after the meeting or in 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. "*Triangling*" is complaining to a third party in order to enlist that party's support. The best way to end triangling is for everyone to understand that anything said about anyone will be reported directly to that person.

Conflict. To be alive is to be in some degree of conflict. A certain amount of conflict is healthy and normal, but unacknowledged and unresolved conflict is destructive. We learn through conflict that grace abounds and that tensions need community. But do not let conflicts in your vestry and in your congregation go unattended. They will escalate, and it may take your parish years to recover. The Bishop and his staff

stand ready not only to work with you to resolve conflicts, but to anticipate them and help you deal with them productively. The Bishop's Office should be contacted immediately to assist parish wardens in time of conflict or pastoral need. Wardens may have access to the Bishop without the rector being present, but they should know that the first person to be contacted after their visit will be the rector. 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.

Related Persons on Vestry. Persons related by marriage, partnered, parent/child, and siblings, should not serve simultaneously on the vestry. Persons related to employees of the parish, including the clergy, should not serve on the vestry. Many parish by-laws explicitly prohibit this. Vestry decision-making should be unencumbered by private, personal agenda, or the perception of those agenda. Objectivity is very important; the vestry must work to maintain parish-wide confidence in its deliberations and decisions.

Minutes, Public and Private Communication. An official record of vestry meetings must be kept to insure communication from meeting to meeting, from one vestry to the next, and from the vestry to the parish as a whole. The vestry's responsibility as the board of the corporation, dictates that accurate records on financial matters be recorded. Minutes should reflect decisions made, not details of discussions. The best practice is to have a public summary-style "minutes" which can be circulated to parish membership, and have a more fulsome detail of discussions for "internal" vestry corporate memory. Both versions must agree, of course. Minutes of all decisions made by the Vestry must be kept in the permanent files of the parish. We urge caution in posting vestry minutes on public portions of the parish website unless due care is used to ensure that the privacy of individuals, including staff, is not violated.

Email is useful to set up meetings and share information, but is not a substitute for a face to face meeting. Do not do the business of the parish via email on any regular basis; never carry on a "conversation" of any sensitive nature via email, Facebook, or similar. Vestry meetings are usually open to the parish, who may observe without voice or vote. When the vestry is in executive session the meeting is closed.

Executive Session. On matters of grave import, the vestry may vote, perhaps by a super-majority, to call an executive session of the vestry, from which all visitors would be excluded. The rector presides in executive session just as in public vestry meetings.

Stewardship and Vestry Members. As leaders of the parish 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 should be committed to the tithe or to moving toward a tithe in his or her own giving. Vestry members who are unwilling to support the mission of their parish and of the church should resign their positions. Vestry members should

understand and model that giving away is an essential dimension of the Gospel. A vestry is called to risk and to have a vision of the mission of the church which is beyond the immediate interests and survival needs of the local congregation. Stewardship involves not only maintaining, but also reaching out and giving resources away to meet the needs of God's people in the world and to extend the mission of the church. Experience has shown that only those congregations with this vision and commitment are healthy and thriving.

IV. CLERGY-VESTRY RELATIONSHIP

The vestry is the sole representative of the congregation in its relationship with the clergy of the parish.

The relationship between the vestry and the rector is crucial. The fundamental characteristic of a healthy relationship is trust. This may not appear immediately in the pastoral relationship, but must be developed and nurtured over a period of time. The early stages of a pastoral relationship are a time of testing as to whether the vestry and rector can trust one another. When trust is present, anything is possible. Without it, nothing can really happen.

Collaboration. The vestry and rector work together as a team. Both the rector and the vestry should be concerned about the spiritual life of the congregation, and both should be concerned about the more mundane matters such as money and the leaky roof. When canonical rights and duties are too clearly adhered to, resentments emerge around who is treading on whose territory. The best working model for vestry and rector is the collaborative one, although both know in whose territory the buck ultimately stops.

Rector's Responsibilities. The canon law of the church spells this out in detail. In the Celebration of a New Ministry, the rector is given the keys to the church. This is a reminder that the rector has the control over the use of the parish facilities. The rector is also responsible for the worship, music, education and spiritual welfare of the congregation.

Rector Tenure. A rector is called to a parish for life and the pastoral relationship may not be dissolved without the mutual consent of the vestry and the rector. If the consent is not mutual, the Bishop gets involved as an arbitrator to resolve the impasse. Because the relationship is so permanent, it is to the benefit of the vestry, the rector, the Bishop and all concerned to make sure that the match is an enduring one. A pastoral relationship is normally ended when the rector is called to a new parish. The vestry must give its consent to the resignation of the rector, and in these cases it almost always does.

Parish Staff. Assisting clergy and all parish staff are hired by and serve at the pleasure of the rector. The rector may ask a nominating committee to help in the selection of assisting clergy.

Clergy and lay staff are ultimately accountable to the rector. In most cases the rector is directly involved in the administration, maintenance, education, worship and pastoral care of the congregation.

Some parishes have an administrator. This takes the administrative burden off the clergy and frees them to pursue their priestly and pastoral callings. A competent parish administrator can complement the work of the clergy.

Vestries are to follow guidelines in the *Guide to Human Resource Practices for Lay Employees in the Episcopal Church, Second Edition*, published by the Church Pension Group. When a parish is without a rector, the Bishop's office should be consulted before changes in lay or clergy staffing, or their salaries or benefits, are made.

Clergy Compensation.

Salary. Salary is negotiated at the time of the call. In the Diocese of Atlanta, canon law requires that any full-time cleric be paid at least the minimum salary of a transitional deacon. The current salary package is available through the diocesan benefits office. This includes the base salary and housing allowance, wages to cover one-half of the cleric's self-employment taxes, travel/auto allowance, pension assessments, major medical insurance, dental insurance and a \$50,000 life insurance policy. By canon law this compensation must be paid in the amount agreed upon and on the date agreed upon. Neither a vestry nor a treasurer may withhold the salary of a cleric. Any consideration of a downward salary or benefits adjustment is a matter of grave import to be discussed with the Bishop and chancellors.

Housing. Money spent by the cleric to provide, furnish and maintain a principal residence is excluded from federal income tax, subject to certain limitations. The vestry must pass a resolution stating the cleric's housing allowance prior to the first paycheck each year. The cleric advises the vestry of the amount of his/her compensation to be designated as housing allowance. Sample resolutions are found in the Manual of Business Methods.

Although most clergy now own their own homes, there may be some advantages to the parish owning a rectory, especially in areas where housing costs are high and it would be an unreasonable expectation for the rector to find affordable housing. In the event that church housing is provided, the vestry may provide an equity allowance for the cleric which will accrue throughout the cleric's tenure.

SECA. Clergy are considered self-employed for Social Security tax purposes. Some parishes choose to include reimbursement for Social Security taxes in the cleric's compensation package.

Pension. Parishes are required to pay into the Church Pension Fund and amount equal to 18% of the cleric's salary, housing, and SECA compensation. This applies to full-time, part-time, supply and interim clergy paid for 3 consecutive months and receiving a minimum of \$200 per month.

Continuing Education. It is expected that every cleric in the Diocese of Atlanta will have two weeks of continuing education leave annually. The Bishop and vestry should have a copy of the cleric's continuing education plans. Time for continuing education may not accrue but is to be used annually. Vestries should encourage clergy to take full advantage of continuing education. It is a requirement for clergy in this diocese and should be included in the parish's annual operating budget.

Sabbatical Leave. After six years of service, the cleric is entitled to three months of paid sabbatical leave (this does not include vacation time). The vestry should budget for sabbatical leave an amount to accrue through the sixth year of service, planning for the absence of the clergy during a sabbatical. There are grant sources to provide funds to the clergy and congregation to make the sabbatical fulfilling and reduce the financial burden. (Lilly Endowment is one at http://www.lillyendowment.org/religion_ncr.html). Planning is essential. Clergy should discuss their sabbatical plans with the Bishop and the vestry.

Letter of Agreement. All financial arrangements, vacation times, continuing education time, duties and responsibilities should be carefully written down in a letter of agreement, which is drawn up at the time of the call. A sample form of this letter is available through the Bishop's office. "Letters of Agreement" must have the approval of the Bishop.

Clergy Discipline.

(With appreciation to the Diocese of Connecticut, 2011)

Clergy have, by their ordination vows, accepted additional responsibilities and accountabilities for doctrine, discipline, worship and obedience. This process of accountability, as set out in Title IV of the Constitution and Canons for the Government of The Episcopal Church ("Title IV"), seeks to promote justice, restitution, amendment of life, repentance, healing, forgiveness and reconciliation among all involved or affected by clergy misconduct.

Under the Title IV Canons, all matters will be reported to a diocesan Intake Officer who will create a written report. Following that, the matter could be resolved by pastoral care, mediation, an agreement with the Bishop, an investigation, or any combination of these.

The resolution of the process could be anything that will move those affected to justice, restitution, amendment of life, repentance, healing, forgiveness and reconciliation. This could include suspension or removal from ordained ministry. The clergy disciplinary process is similar to that used in licensing other professions, such as doctors and lawyers.

Anyone may contact the diocesan Intake Officer to report concerns about the behavior of a member of the clergy (priests, deacons, bishops). This initiates a process to hold clergy accountable for their behaviors.

A vestry member or warden who receives information that points toward a violation of ordination vows should report this to the diocesan Intake Officer. If a parishioner reports an incident to a member of the vestry or warden, the parishioner may report directly to the diocesan Intake Officer, but if he/she is reluctant, the vestry member or warden MUST report the matter.

The Intake Officer for the Diocese of Atlanta is The Rev. Canon Alicia Schuster Weltner. Contact her by email, phone, or in person by appointment: aschusterweltner@episcopalatlanta.org, 404-601-5349. You will receive a timely response if you leave a message. Her office is at the Diocesan Offices at the Cathedral of St. Philip, 2744 Peachtree rd NW, Atlanta, GA 30305.

V. VESTRY RESPONSIBILITIES

The responsibilities of vestries are described in the canons.

“The Vestry shall assist the rector in the nurture and extension of Christ’s Church. The Vestry shall have legislative authority for the parish and shall transact all of its temporal business.” (Canon 9.2.b of The Episcopal Church)

“The Rector, or Vicar, Church Wardens and Members of the Vestry (called the Vestry) shall administer all the temporal business of the Parish; shall see that all things needful for the public services are provided; shall pay with punctuality, at the intervals agreed, the stipulated salary of the Rector or Vicar and others; shall inform themselves of the orders and times of all offerings required by the Canons of the Diocese and of assessments imposed by the Council, and take measures for the obedient fulfillment and due liquidation of these obligations; and before the close of each fiscal year, if the treasury be deficient, the Vestry shall collect, as far as practicable, by subscription or otherwise, a sum sufficient to liquidate all of the current annual obligations of the Parish.” (Canon 33.1 of the Episcopal Diocese of Atlanta)

Managing the Temporal Affairs. The vestry has the responsibility for the fiscal well-being of parish assets and property and must see that all bills are paid. If there is a deficit at the end of the year which cannot be filled by the use of excess funds from prior years or other available funds, the vestry must eliminate it either by subscription from the parishioners or by personal contribution.

The vestry is responsible for seeing that each member of the parish is asked to make a financial pledge for the support of the mission of the church.

The vestry approves the annual budget and is responsible for seeing that the parish's pledge to the mission of the diocese for the coming year is received at the Diocesan Offices in accordance with the deadlines in the canons. The vestry is also responsible for seeing that there is an annual audit of all financial records.

All parish financial records, excluding individual pledge records or records of people helped through the rector's discretionary fund, should be a matter of public scrutiny. The church is a public-servant institution, and therefore our constituency has a right to full disclosure. There should be no secret funds, and salaries of all employees should be readily available. Clergy salaries in each parish must be published and distributed annually in Annual Council Journal. Names of the clergy are deleted in accordance with privacy laws.

The vestry shall write and deliver to the rector or vicar a full, accurate and faithful statement of the temporal condition of the parish prior to the annual parish meeting. This statement should show what money, lands and other property have been received during the past year and from what sources; what money has been expended and for what objects; what property has been exchanged or mortgaged or sold and for what purposes; and what debts are owing by the parish and what security, if any, has been given; and what money, lands or other property are then owned by the parish. The vestry shall also furnish a separate statement of the money and property held in trust by or for the parish. (Diocesan Canon 33.2)

It is the responsibility of the vestry to adhere to all canonical and diocesan policies on Employee Benefits, Annual Audits, and Financial Management.

The Manual of Business Methods in Church Affairs, Rev. 2009, published by the Episcopal Church, is the standard for accounting principles and practices.

These and other fiscal responsibilities are outlined in Appendix Section G. of this handbook.

Discernment. All baptized persons are called to minister in Christ's name. A lifelong commitment to Christian Formation by all Baptized persons is necessary to sustaining their ministries and it is the Church's role to help them in identifying their gifts in serving Christ's mission in the world at all times and places. The vestry serves a canonical role in affirming persons in the discernment and ordination processes at each canonical stage, from nomination, which is the beginning of the formal discernment process in the Diocese of Atlanta, all the way to ordination as a deacon and priest.

It is the role of the Bishop, the Commission on Ministry and the discernment community to assist all persons in sustaining their Christian commitment and discerning those persons whose gifts for leadership and vision mark them as potential leaders in the church, either lay or ordained.

A call to ministry begins in the community of the faithful, and the process of discernment of a call to ordained ministry may begin in several ways: with an applicant approaching his or her rector, or with the priest who sees special gifts for ministry in a member of his or her parish or worshipping community. That identification is the first step, and both the individual seeking to discern what kind

of ministry he or she is called to, and the clergy and lay leadership of the parish have a role in the recruiting of persons suitable for ordination.

Sexual Misconduct. All parishes in the Diocese of Atlanta must comply with “[Safe Church Practices](#).” Church and school employees, as well as some volunteers, must attend training programs on prevention, monitoring, and reporting of any sexual abuse or exploitation of children, youth or adults. Vestry members must be trained in Safeguarding God’s Children during their first year of office and wardens must take Safeguarding God’s People trainings. The Vestry is the responsible party for any inquiries or problems that may occur regarding sexual misconduct whether clergy, staff or parishioners are involved

Anti-Racism Training. By resolution of Diocesan Council, all clergy, as well as all lay members of diocesan commissions and committees, as well as nominating committees during parish transition, must engage in the anti-racism training provided by the diocese. This training is commended to vestries as well.

VI. CALLING A NEW RECTOR OR VICAR

The Search Process. When a rector resigns, the Bishop or Transition Ministry Officer will meet with the vestry to outline the search process in detail. The Bishop or Transition Ministry Officer meets with the vestry and assists them in securing the services of a consultant and an interim rector and/or supply clergy, as well as in selecting and appointing a nominating committee and naming its chair.

The Bishop will determine the track of the search/nominating process, by accessing the needs, history, and circumstances of the parish, and the departure of the previous incumbent. The Bishop will decide if the search will be:

- (a) A traditional search for a Rector with full profile preparation, nationally advertised position, and consideration and screening of all interested candidates.
- (b) An election of a Rector, or Vicar, from two to four candidates only nominated by the Bishop, directly to the vestry, following an abbreviated discernment exercise. This determination will take into account the size of the congregation, history and resources available for the transition. This transition period could be only two to three months.
- (c) An abbreviated search for a Rector, eliminating some steps (profile development, e.g.) and a limited number of candidates, provided from Bishop’s office.
- (d) An election of a Priest-in-Charge, for a three year tenure, from among Bishop’s candidates.
- (e) An election of a part time Priest-in-Charge , or Vicar, nominated by the Bishop.

The Transition Ministry Officer is the primary support and contact person for the parish. The consultant and interim are extensions of the Bishop's pastoral office as well.

One or two, but no more, members of the vestry may serve on the nominating committee.

The use of a consultant, approved by the Bishop, is a norm for any of the tracks, above. The consultant is used to train the parish in maintaining objectivity and following guidelines. The consultant is included in early establishment of the committee, at critical decision points, including meetings where candidates are chosen, with the search-to-vestry hand-off and, finally with the vestry's interviews. The consultant is compensated, along diocese guidelines, for this work.

Interim Rector. An interim rector is a priest who has responsibility for the worship, pastoral care, education and leadership in a parish during a transition. A "Rector-in-the-Interim", or, simply "Interim" is chosen from those nominated by the Bishop. Depending on availability of qualified candidates, the Bishop may offer only a single candidate for this position. The Interim's Letter of Agreement specifies goals to be mutually identified during the process. The Interim is normally compensated in like manner and amount as the last incumbent.

The long standing policy is that the Interim must not be a candidate for rector in the parish where s/he serves. On rare occasion, the Bishop permits an Interim to be considered for the role of rector, when, in the early stage in the transition, before the search committee begins candidate selection, it is determined there is greater benefit to the congregation and diocese to allow an exception.

VII. COMMUNICATIONS

The Diocese maintains a website, publishes a weekly electronic newsletter *Connecting* and a quarterly, print magazine *Pathways*. All vestry members should subscribe. Go to the diocesan website: <http://www.episcopalatlanta.org/>

Vestry members will benefit greatly from reading *Vital Practices*, an electronic publication geared mainly to Episcopal vestries, published by the Episcopal Church Foundation.

VIII. FREQUENTLY ASKED QUESTIONS.

Q. The rector is out of town and the vestry wants to have a meeting to discuss the rector's salary. May they do this?

A. No. The vestry meets at regularly scheduled times. 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 asks the senior warden to do so. When the annual compensation of the rector is being considered, it is appropriate for the rector to ask the senior warden to preside and to leave the room so that the vestry can freely discuss compensation for the coming year.

Q. A member of the parish wants to have a referendum on the rector's tenure at the annual parish meeting. Can this be done?

A. No. The vestry is the sole representative of the congregation in its relationship with the rector. The congregation may not vote on the clergy of the parish.

Q. Who calls a rector?

A. The rector is called by the vestry with the consent of the Bishop. The congregation may neither hire nor fire a rector.

Q. May the vestry fire a rector?

A. No. A rector has life tenure, and leaves a parish only by death, resignation (with the consent of the vestry) and removal under provisions of canon law. When both parties do not agree to a termination of the 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.

Q. Who hires the assistant?

A. The rector.

Q. Our organist has a Ph.D. in music and fifteen years of experience in Episcopal churches. Our rector knows nothing about music. Who has the final say about music in the parish?

A. The rector.

Q. Who hires and fires the organist?

A. The rector.

Q. Who elects the vestry?

A. The congregation, at the annual parish meeting. A third of the vestry is elected each year and serves for a three-year term. Vacancies are filled by the vestry.

Q. Who is eligible to run for vestry?

A. Any confirmed person who is regular in worship, is 18 years of age or older and has made and maintained a financial commitment to the parish in the previous year is eligible to serve on the vestry. There should always be opportunity for nominations to be made from the floor or for names of nominees to be submitted prior to the election, which will appear on the ballot if canonically qualified. It is very desirable for there to be at least two nominees for each vacancy to be filled.

Q. Does the congregation approve the parish budget at the annual meeting?

A. No. The vestry is fully responsible for the financial matters of the parish. At the same time, it is incumbent on the vestry to give a full accounting of the financial health of the parish to the congregation.

Q. May the treasurer or the vestry withhold the salary of the rector if they do not believe that the rector is doing his or her job?

A. No. Canon law states that the compensation agreed upon must be paid on the date agreed upon.

Q. What if there is no money to pay the salary?

A. The vestry is responsible for paying all salaries, either through soliciting additional financial contributions from the members or through borrowing the money needed. If long-term financial viability is problematic, then the parish may need to go to a part-time priest and/or become an aided parish, in which case the Bishop is the rector. In such cases, the Bishop's office should be consulted before any decisions are made.

Q. May the vestry reduce the rector's salary as an expression of disapproval?

A. No. The courts have held that the compensation agreed upon by the rector and vestry is a legal contract.

Q. When the rector leaves, may the assistant be a candidate for the position of rector?

A. No. It is the policy of the Bishop that assistants may not succeed to the position of rector in the parish in which they are serving.

Q. May the interim rector become a candidate for the position of rector?

A. The long standing policy, supported by the greater wisdom and experience of the Church, and, as spelled out in interim rector Letters of Agreement, is that the interim must not be a candidate for rector in the parish where s/he serves. On rare occasion, with exceptional circumstances, the Bishop permits an Interim to become the Rector, or Priest-in-Charge, when in the early stage in the transition

period, before the search committee begins candidate selection, it is determined, through extensive consultation, there is greater benefit to the congregation to allow an exception.

Q. How should a vestry respond to a rector who is not performing well or respond to a growing conflict between the rector and a faction of the parish?

A. Members of the vestry should voice their concerns to the rector either privately or in a vestry meeting. The rector should always be part of the conversation. If this is not fruitful, wardens should contact the Bishop's office following this conversation. The Bishop will contact the rector and arrange for a meeting.

Q. The assistant wants the vestry to designate 100 percent of her salary for housing. Must they do this?

A. Yes. Any cleric employed by a parish may designate any percentage of his or her salary as housing, and the vestry must do this. The actual amount of housing claimed by the cleric on her/his tax return must be the actual amount used for housing.

Q. John Smith is an ordained Methodist minister employed by St. John's to do Christian education. May he claim part of his salary as housing allowance?

A. No. The IRS maintains that in order to qualify for the housing allowance exclusion, a person must be able to do everything that an person in that Church is able to do. A person ordained as a Methodist minister would not be able to do everything that a person ordained in the Episcopal Church can do.

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

A. Yes. Every parish must give financial support to the mission of the diocese. Parish giving in the Diocese of Atlanta is governed by Diocese of Atlanta Canon 20 (see appendix). The diocese and parishes partner together in providing for the mission and ministry of the church, doing together what neither could do alone.

Q. Who can I contact when I have questions?

The members of the diocesan staff are ready to help you. You can access a directory of staff on our website, www.episcopalatlanta.org or call us at 404-601-5320.

APPENDIX

A. CANON 20 *Of the Funding of the Ministry and Mission of the Diocese of Atlanta*

Section 1. We the people, clergy, and parishes of the Diocese of Atlanta acknowledge our need to give of our time, talent, and treasure for the work of Christ. We further embrace our strong heritage - expressed both in the Bible and in longstanding Tradition - of parishes supporting one another and joining together to accomplish the work of Christ. We acknowledge our responsibility to support the episcopacy and to provide for the mission of the Church. We recognize the tithe as the minimum standard of biblical giving, and we acknowledge the important example our parishes provide to parish members by practicing the tithe. Finally, we feel strongly the bonds we have toward one another as members of the Body of Christ. We therefore desire that funding of the ministry and mission of the Diocese be accomplished fairly and equitably, within a framework that promotes both compassion and accountability. We seek a framework in which no parish will be required to contribute more than a fair share, and no parish will be allowed to contribute less than a fair share. To these ends:

Section 2. Ten percent (a tithe) of the average of the past three years' Net Operating Revenue (as reported on the Annual Parochial Report) shall be the minimum amount each parish shall give in support of the Ministry and Mission Budget of the Diocese. On or before June 15 of each year, the Finance Committee shall give notice to each parish of its ten-percent minimum contribution (based on its Annual Parochial Report data) for the Mission and Ministry Budget of the Diocese for the upcoming year. In the event that a parish has not filed a timely Annual Parochial Report, the Finance Committee shall substitute the most recently filed parochial report for its calculations. Should the parish subsequently file an Annual Parochial Report showing Net Operating Revenues differing from that used in the computation, the Finance Committee shall adjust the required contribution to the Budget of the Diocese, as appropriate.

Section 3. For most parishes, the ten-percent minimum will be an appropriate fair share. For some parishes an appropriate fair-share may be a voluntary contribution of more than ten-percent. Because of extenuating circumstances, a parish may be unable to give the ten-percent minimum and shall be afforded an appeal opportunity as described herein. Not later than August 15, all parishes shall acknowledge, in writing to the Director of Finance, their commitment to give ten-percent, more than ten percent, or state their intent to appeal.

Section 4. Any parish believing that, for good cause, it will be unable to give a minimum of ten percent to the Budget of the Diocese may file a written appeal signed by the Rector (or Vicar) and Senior Warden not later than August 15 with an Assessment Appeal Board. The Assessment Appeal Board shall meet with representatives of the parish filing an appeal. The parish will be given an opportunity to request a reduction from the ten-percent minimum contribution for the year in question. The Assessment Appeal Board shall operate pursuant to guidelines and timelines provided by the Executive Board. In making its determination, the Assessment Appeal Board shall consider, among other factors, the parish's current monthly financial report, the level of stewardship training and education in the parish, the nature of the annual stewardship campaign in the parish, any extraordinary circumstances faced by the parish, and other data as considered relevant by the parish and the Assessment Appeal Board. After such review, the Assessment Appeal Board may reduce the percentage of the assessment for that parish for that year or affirm

that ten percent is a minimum assessment. Such decision, and the reasons therefore, shall be communicated in writing to the Rector (or Vicar) and Senior Warden, the Bishop, Executive Board, and the Director of Finance of the Diocese. In the event that the Assessment Appeal Board grants a reduction, that Board shall refer the parish to the Commission on Stewardship and the Commission for Congregational Growth and Development. These Commissions will assist the parish leadership in developing a plan to enhance stewardship and enable the parish to increase its giving to the ten-percent minimum.

Section 5. In the event that annual contributions from any parish fall short of the minimum ten-percent or the reduced amount set by the Assessment Appeal Board, at the next Annual Council of the Diocese the cleric and lay delegates of that parish will be denied vote on all matters of business and denied voice regarding matters related to finance or the expenditure of diocesan funds. In addition, such parishes shall not call any assistant or associate clergy, nor fill vacancies for such clergy. In the second successive year of not contributing the fair-share amount, any such parish shall, by operation of this canon, have its status changed to that of an Aided Parish of this Diocese.

Section 6. The Assessment Appeal Board shall consist of three lay and three cleric members. The Executive Board, with the consent of the Bishop, shall appoint these six members of the Assessment Appeal Board for a three year term. Initially, the Executive Board shall establish staggered classes of this board, with two people sitting for a one year term, two people for a two year term, and the final two for a full three year term. Thereafter, the Executive Board shall appoint two members each year to serve a full three year term. The Bishop shall appoint annually a convener as a seventh member, who will vote only to break ties. The Executive Board will make a good faith effort to appoint members of the Assessment Appeal Board as follows: two will be appointed from parishes having Net Operating Revenues in the upper one-third of the diocese, two will be appointed from parishes having Net Operating Revenues in the middle one-third of the diocese, and two will be appointed from parishes having Net Operating Revenues in the lower one-third of the diocese. In addition, the Executive Board will make a good faith effort to ensure broad geographical representation on the Assessment Appeal Board.

Section 7. Every congregation in the Diocese shall include in its annual budget the amount of its fair-share contribution (assessment) for the support of the Mission and Ministry Budget of the Diocese. A portion of the annual contribution is to be paid to the Diocese on or before the twentieth day of each month.

Section 8: The Executive Board shall prepare a tentative Diocesan Mission and Ministry Budget and send it to each Vestry. Each Vestry shall, by a date set by the Executive Board, consider the mission and ministry priorities of the Diocese and report recommended changes in the Ministry and Mission Budget to the Executive Board. The Executive Board, in its discretion, may develop additional means of soliciting recommendations from the people and parishes of the Diocese. When the process for receiving such recommendations is ended, the Executive Board, with the assistance of the chairs of Diocesan commissions, committees, and the Diocesan staff, shall develop a Proposed Ministry and Mission Budget that reflects the mission priorities of the Diocese.

Section 9. Council shall consider the Proposed Mission and Ministry Budget, make amendments as desired, and approve and return the resulting Proposed Mission and Ministry Budget to the Executive Board. Using the Proposed Mission and Ministry Budget approved by Council, the Executive Board shall establish and adopt the Mission and Ministry Budget in its final form. Copies of the budget in its final form shall be mailed to all Vestries. The Executive Board shall give direction to and administer the gross amounts budgeted through its various departments. The Treasurer shall make a detailed financial status report for the previous and current year to Council in session.

Section 10. This canon shall take effect on January 1, 2006 in preparation for the 2007 budget year.



B. CANON 23 *Of Church Debt*

Section 1. No indebtedness shall be incurred by an Aided Parish without prior approval of the Bishop and the Department of Finance.

Section 2. Indebtedness may be incurred by a Parish without the prior approval of the Bishop and the Department of Finance, where the debt service (i.e., annual payments of principal and interest) including debt service for all indebtedness heretofore incurred for current expenses and still existing, does not exceed 20% of the total annual receipts of such Parish during the preceding fiscal year. Short-term indebtedness in excess of the 20% limit may be incurred when there is reasonable expectation that it can be repaid in its entirety out of Parish receipts within the next three (3) years, and budget provision for such repayment has been so made. No further indebtedness may be incurred without the approval of the Bishop and Department of Finance.

Section 3. The Bishop and the Department of Finance must be notified before any short-term or long-term indebtedness is incurred.

Section 4. Providing that, in computing receipts under Section 2 hereof, amounts from or for endowments or from or by bequests, except income therefrom not specifically designated, and receipts for expenditures other than parochial shall not be included.

Section 5. Provided that under any circumstances for which approval is required, it shall be granted only when the payment of all indebtedness shall be provided for in a plan of amortization or other method of payment to be submitted to and approved by the same authority.



C. CANON 30 *Of Parishes and Aided Parishes*

Section 1. Any congregation in which the Sacraments are regularly administered, the Gospel preached, and the Ministry and Mission of Jesus Christ actively pursued according to the Doctrine and Discipline of the Episcopal Church, the said congregation also being in communion with the Bishop and the Council of The Episcopal Church in the Diocese of Atlanta and contributing of its time, talents, and financial resources to the support of the Diocese of Atlanta and to the Episcopal

Church, shall constitute a Parish in the Diocese of Atlanta with the approval of the Bishop and the Diocesan Council. Active pursuit of the Ministry and Mission of Jesus Christ includes the following items as a minimum:

Regular Worship services throughout the year;
Christian education;
Pastoral care and visitation;
Stewardship of time, talents, and financial resources;
Evangelization; and
Outreach to the community in which it is located.

Section 2. For administrative purposes, there shall be two categories of Parish in the Diocese of Atlanta: Parish and Aided Parish.

- (a) A Parish exists when the congregation, in addition to fulfilling its ministry and mission to the people of God in its community, is self-supporting and also contributes proportionately of its human and financial resources to the ministry and mission of the Diocese and of The Episcopal Church.
- (b) An Aided Parish exists when the Diocese of Atlanta or another Parish provides financial assistance to enable it to pursue and implement its ministry and mission.
- (c) Whenever the term "Parish" is used in these Canons, it shall include both administrative categories of Parish except in those cases where a provision is made for Aided Parishes. In such excepted cases, the provisions applying to an Aided Parish shall apply to Aided Parishes alone.
- (d) An administrative category shall not be changed without securing the approval of the Bishop.

Section 3. Each Parish shall be under the pastoral care and supervision of a Minister canonically resident in the Diocese of Atlanta or licensed by the Bishop of Atlanta. Any Minister in Holy Orders who shall be assigned the care of a Parish not an Aided Parish shall be canonically resident in the Diocese of Atlanta.

Section 4. A Parish may be established in the Diocese of Atlanta in the following manner:

- (a) The Bishop of the Diocese of Atlanta may desire to establish a Parish in a given location and contact people in that area, including a reasonable number of Communicants of The Episcopal Church. Alternatively, a reasonable number of Communicants of The Episcopal Church, which includes at least three (3) confirmed communicants aged 18 years or over, may desire to establish a Parish. In either case, the people and the Bishop meet and consult together. If the people and the Bishop desire to continue the endeavor, the Bishop may authorize the people to meet as a worshipping community subject to the Canons of The Episcopal Church and of The Diocese of Atlanta and to any requirements the Bishop of Atlanta may further set forth in writing. The Bishop may assign a Minister to lead the group during this time. When the people desire to establish a Parish, they may apply to the Bishop for permission to make application to the Council. Upon approval by the Bishop, the people may then petition the Council as set forth in subsection (b) below.
- (b) After receiving the Bishop's approval, the people desiring to establish a Parish shall submit three copies of the following petition at least forty days and not more than ninety days before the Diocesan Council to be held next thereafter. The petition shall be submitted through the

Bishop of the Diocese of Atlanta who shall refer it to the Diocesan Council with any recommendations. The petition shall be signed by not less than three members of the group aged eighteen years or over who are confirmed communicants of The Episcopal Church. Any Minister in charge of the group, shall approve the petition by signature thereon.

PETITION

“We whose names are hereunto signed, and who are confirmed communicants of The Episcopal Church or who are desirous of being confirmed communicants of the Episcopal Church, deeply sensible of the truth of the Christian Religion and conscientiously attached to the Doctrine, Discipline, and Worship of the Church known as the Protestant Episcopal Church in the United States of America, and being desirous of further establishing its authority and securing its holy influences for ourselves, our families, and neighbors and those who come after us, do hereby respectfully petition the Ecclesiastical Authority and the Council of the Diocese of Atlanta that we be granted the status of a Parish of The Episcopal Church in the Diocese of Atlanta, under the name and title of N and we do hereby solemnly promise and declare that the said Parish shall forever be held under the Ecclesiastical Authority of the Diocese of Atlanta, the authority of which we do recognize, and to the liturgy, doctrine, discipline, rites and usages of The Episcopal Church in the United States of America we promise for ourselves and our successors corporate obedience and conformity at all times, so help us God. Furthermore, we solemnly engage and stipulate that all real and personal property of which the Parish is or may become possessed is held in trust for this Church and the Diocese of Atlanta and shall be secured against alienation from the Episcopal Church in the Diocese of Atlanta unless such alienation shall be in conformity with its Canons.”

- (c) The Bishop shall refer the petition to the Council of the Diocese with any recommendations. The Council of the Diocese meeting next after the submission of the petition shall act on it. Upon approval by the Council of the petition for admission as a Parish, the group is thereupon admitted into union with the Bishop and the Council as a Parish. Its administrative status as a Parish or an Aided Parish is determined by the criteria in Section 2 of this Canon.
- (d) Whenever an administrative category is changed from Aided Parish to Parish, the Presiding Officer of the Council at which this takes place shall advise Council of the fact.

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D. CANON 33 *Of the Vestry*

Section 1. The Rector, or Vicar, Church Wardens and Members of the Vestry (called the Vestry) shall administer all the temporal business of the Parish; shall see that all things needful for the public services are provided; shall pay with punctuality, at the intervals agreed, the stipulated salary of the Rector or Vicar and others; shall inform themselves of the orders and times of all offerings required by the Canons of the Diocese and of assessments imposed by the Council, and take measures for the obedient fulfillment and due liquidation of these obligations; and before the close of each fiscal year, if the treasury be deficient, the Vestry shall collect, as far as practicable, by subscription or otherwise, a sum sufficient to liquidate all of the current annual obligations of the Parish.

Section 2. The Vestry shall, prior to the Annual Parish Meeting, cause to be written and delivered to the Rector or Vicar or, if there be none, to the Wardens, a full, accurate and faithful statement of the temporal condition of the Parish. This statement (to be designated the Annual Report of the Vestry) shall show, among other things, what money, lands and other property have been received during the year past and from what sources what money has been expended and for what objects, what property has been exchanged or mortgaged or sold and for what purposes and what debts are owing by the Parish and what security, if any, has then owned by the Parish. This Annual Report shall be communicated to the Annual Parish Meeting as provided in Canon 31, Section 8.(e).

The Vestry shall also furnish and read to the Annual Meeting a separate statement of the money and property held in trust by or for the Parish, which shows:

- (a) the nature and purpose of each trust;
- (b) when and by whom the same was created, and the kind of instrument under which it was created;
- (c) the names of the beneficiaries thereof;
- (d) the total value of the original trust fund and the amount of the principal thereof at the end of the preceding fiscal year;
- (e) a brief description of the securities in which the same were then invested;
- (f) the rate of interest on each investment and the amount of interest in default, if any; and
- (g) the disposition of the income therefrom during such year; which statement shall also show whether or not fiduciary bonds required for such funds by Canon have been approved and delivered, the surety or sureties thereon, and the principal amount of each such bond. An exact copy of such separate statement shall be delivered to the Bishop by the Wardens promptly after each Annual Parish Meeting.

Section 3. There shall be held at least six regular Vestry meetings in each year. Special meetings of the Vestry may be called by order of the Rector or Vicar, or, in case of vacancy, by the Wardens, at any time deemed expedient; and shall call such meetings when requested, in writing, by a majority of the members of the Vestry, which writing shall declare the object of such meeting.

Section 4. Vacancies in the Vestry shall be filled for the unexpired term by a majority of the remaining members of the Vestry at any regular meeting, of which election previous notice shall have been given, in writing, to every member of the Vestry by the Secretary or Clerk.

Section 5. The Rector or Vicar shall preside at all meetings of the Vestry and shall be entitled to cast the deciding vote in the case of a tie. If present, the Rector or Vicar may, if desirable, appoint any other member of the Vestry to preside at a meeting of the Vestry, such designee being entitled to cast the deciding vote in the case of a tie. The Rector or Vicar shall be ex officio member of all Committees.

Section 6. In case there is no Rector, or Vicar, or in case of absence or inability to act, the Senior Warden, or if absent the Junior Warden, shall preside at all meetings of the Vestry. No meeting of the Vestry shall be valid in which there shall not be present either the Rector, or Vicar, or one Warden, except for the purpose of electing Wardens if there be no Rector, or Vicar, or Wardens.

E. LINKS TO EPISCOPAL CHURCH INSTITUTIONS AND WEBSITES

- The Diocese of Atlanta: www.episcopalatlanta.org
Canons and Constitution of the Diocese of Atlanta:
[http://www.episcopalatlanta.org/Content/Diocesan Canons and Constitution.asp](http://www.episcopalatlanta.org/Content/Diocesan_Canons_and_Constitution.asp)
- The Episcopal Church: www.episcopalchurch.org
- Church Pension Group (employee retirement plus information on life and property insurance, Church Medical Trust, and much more) www.cpg.org
- The Episcopal Church Foundation (capital funds, Vestry Papers on line, and much more): www.episcopalfoundation.org
- Episcopal Relief and Development: www.erd.org
- The Internal Revenue Service www.irs.gov

F. SAMPLE VESTRY JOB DESCRIPTION

(With appreciation to the Rev. Frank W. Hughes and the Vestry of Trinity, Columbus, 2011)

- I. Every Christian person has a ministry, since every Christian is a member of the Body of Christ (1 Corinthians 12:14-27) and has received the Holy Spirit (1 Corinthians 12:3-12; Romans 8:9-16).
 - Less than 1 per cent of the members of the Body of Christ in The Episcopal Church are ordained.
 - Most ministers in the Body of Christ are lay persons.
- II. The Vestry's role is defined in Constitution and Canons of The Episcopal Church and of the Diocese of Atlanta.
 - The Vestry members must be "confirmed communicant in good standing of the Parish who is not less than eighteen years of age, a regular attendant at the services of the Church in the year preceding election, and known by the Treasurer to have made and fulfilled a stated financial commitment for church support in the year preceding election" (diocesan Canon 31, Section 6 [d][1]).
 - The Vestry "shall be agents and legal representatives of the Parish in all matters concerning its corporate property and the relations of the Parish to its Clergy" (national Title III, Canon 14, Section 2; cf. diocesan Canon 33, Section 1).
 - The Vestry shall make to the Rector or Wardens "a full, accurate and faithful statement of the temporal condition of the Parish," known as the Annual Report (diocesan Canon 33, Section 2).
 - Vestry will choose and elect the Rector when there is no Rector (national Title III, Canon 9, Section 3 [a]).

- The Vestry approves the annual budget of the parish and can amend the budget.

III. Vestry must be people who can and will lead the parish effectively.

- Vestry members must be active and regular participants in the Sunday worship of the Parish.
- It is highly desirable that Vestry members be active participants in one or more ministries of the parish.
- Vestry members sometimes deal with matters that are sensitive. Vestry members must be able to keep confidentiality.
- Vestry must be able to understand and deal with members of the parish, as well as staff members, who hold diverse points of view on a wide range of matters.
- When there is disagreement in the Parish, to report that disagreement in an appropriate way to the Vestry meeting for the Rector's and Vestry's wisdom and counsel.
- After the Rector and Vestry have made a decision by majority agreement or vote, Vestry members should be willing and able to interpret and explain that decision in the most favorable light, both publicly and privately, to those members of the parish who inquire about it.

Vestry members hold their leadership position until their successors are elected. They are Vestry members even when the Vestry is not in session. Thus, their role is to listen and, along with the Rector, to lead the congregation in both word and example. They are to be examples to the congregation of Christian maturity

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G. MANAGING THE TEMPORAL AFFAIRS OF THE PARISH

Below is a listing of key fiscal responsibilities of which a vestry member should be aware.

Business Methods and Accounting Principles

The responsibility and accountability for stewardship of church money and property is delineated in Title I, Canon 7, of the Canons of the Episcopal Church. The *Manual of Business Methods in Church Affairs, Rev 2009*, published for Episcopal parishes, provides explanations and guidelines for fulfilling these fiscal responsibilities. <http://www.episcopalchurch.org/page/manual-business-methods>

Annual Audit

An annual examination of business practices and financial condition is required for every parish in the Diocese of Atlanta. There are three forms of annual examinations:

1. Audit by an outside accounting firm
2. Performance of diocesan specified Agreed-Upon-Procedures by an outside accounting firm
3. Financial Inspection by an internal committee.

Effective for annual examinations of the calendar year 2011

- For parishes with annual total revenues of \$500,000 or more, an Audit by an outside accounting firm is required annually.
- For parishes with annual total revenues between \$250,000 and \$499,999, performance of diocesan specified Agreed-Upon-Procedures by an outside accounting firm is required annually.
- For parishes with annual total revenues between \$100,000 and \$249,999, performance of diocesan specified Agreed-Upon-Procedures by an outside accounting firm is required every third year. Financial Inspection by an internal committee is required the other two years.
- For parishes with annual total revenues of less than \$100,000, a Financial Inspection by an internal committee is required annually.

Note that the required level of examination is a minimum standard for each parish of a particular size. Any parish may elect without diocesan approval to perform a higher level of examination for whatever reason, i.e. desire of the vestry, a leadership transition, lender requirement, etc. The Diocese will accept this higher level examination for any particular year as meeting that year's audit requirement.

All audit reports shall be filed with the diocesan Finance Office not later than 30 days following the date of such report, and in no event, not later than September 1 of each year, covering the financial reports of the previous calendar year.

Audit requirements and specifications are accessible on the diocesan website.

http://www.episcopalatlanta.org/Content/Parish_Audits.asp

Church Property, Encumbrance and Debt

- **Building and Financing.** The vestry should notify the Bishop of any plans for new construction and/or building renovations. The Bishop should also be notified of any plans to borrow funds and encumber property. The vestry should obtain a copy of the *Building and Financing Manual for Parishes in the Diocese of Atlanta* from the diocesan website. If new construction or renovation of worship space is planned, the vestry should contact the Commission on Church Architecture & Church Construction prior to any plans being developed.
- **Encumbrance of Property.** No real property may be encumbered or alienated by a parish without the written consent of the Bishop and Standing Committee of the diocese. (Episcopal Church Canon I.7.3)
- **Indebtedness.** Total debt service for all indebtedness cannot exceed 20% of the prior year's receipts without consent of the Bishop and the Standing Committee. (Diocesan Canon 23). No indebtedness shall be incurred by an aided parish without prior approval of the Bishop and the Department of Finance.

Clergy Discretionary Funds

The primary purpose of a discretionary fund is to assist people in time of need, or to be applied to such other works as in the opinion of the cleric will further the work of the Church. The discretionary fund must be an account of the parish. Discretionary funds remain at the parish when the cleric is called elsewhere. Discretionary funds are included in the annual parish audit.

Clergy Dual Tax Status

All clergy employed by parishes and missions are considered employees for income tax purposes. They are considered self-employed *for Social Security tax purposes only*. Therefore, all clergy so employed must file a 1040 SE return and pay the self-employment tax. Clergy should not receive a Form 1099 for reporting income from parishes. They should receive a Form W-2 showing the salary received.

Designated Offerings

- **Bishop's Visitation Offering.** It is customary that the plate offering received at the time of the Bishop's visit be designated for the Bishop's Discretionary Fund.
- **Thanksgiving Offering.** Every congregation is required to have a special offering for Appleton Family Ministries on Thanksgiving Day or between the Sunday preceding and the Sunday following Thanksgiving Day, both inclusive.

Diocesan Commitment

Each congregation is required to submit confirmation of its fair share commitment to the diocese by August 1. Ten percent of the average of the past three years' Net Operating Revenue, reported on the Parochial Report as *Total Operating Revenues*, shall be the minimum level of giving in support of the Ministry & Mission Budget of the diocese. (Diocese Canon 20)

Employee Benefits

It is the vestry's responsibility to ensure that the parish complies with all requirements for providing Employee Benefits.

- **Medical Insurance.** The 76th General Convention and the 2010 Annual Council of the diocese affirmed that effective January 1, 2013 all parishes are to provide medical benefits on an equal basis for qualified clergy and lay employees.

The Episcopal Diocese of Atlanta and all of its congregations shall participate in health insurance coverage administered by the Church Pension Group for all qualified employees (those employed to work 1500 hours or more per year) and not otherwise covered.

- Employees may opt out of Diocese of Atlanta medical coverage if they have health care benefits through other approved sources (i.e., coverage under spouse's or domestic partner's insurance, former employer, Tricare, Medicare, etc.)

- As a minimum, qualified clergy and lay employees, on an equal basis, must be provided single medical coverage and access to expanded (i.e., household members, including domestic partners, dental insurance) coverage provided through the Diocese of Atlanta health plan. Cost sharing for insurance coverage must be the same percentage for all qualified employees.

- Schools, day care facilities and other congregational and diocesan institutions, whether or not they operate under a separate tax ID from the sponsoring institution, are encouraged to participate in the diocesan plan of the Church Medical Trust on the same basis as congregations, and must request a bid for services from the Church Medical Trust every time medical coverage is renewed.

http://www.episcopالاتلанта.org/Content/Denominational_Health_Plan.asp

- **Pension.** Both clergy and lay employees are to be provided with pension and retirement benefits.

Clergy pensions are paid into the Church Pension Fund – 18% of the clergy's salary, housing and SECA compensation.

Lay employees must also be provided with pension benefits. Resolution A 138 of the 76th General Convention specifies that by January 1, 2013 lay employees who are scheduled to work 1000 or more hours annually for any domestic diocese, parish, mission, or other ecclesiastical organization or body subject to the authority of the Church are to be provided with pension benefits. Unless the employer is currently sponsoring a lay employee defined benefit plan or if a school using a TIAA-CREF pension plan, the employer must adopt a CPF-sponsored lay pension plan. For a defined benefit plan, the employer must contribute not less than 9% and for a defined contribution plan, the employer must contribute not less than 5% and match employee contributions up to an additional 4%.

- **Worker's Compensation Insurance.** Every parish or mission employing three or more persons must provide Worker's Compensation insurance coverage.
- **Unemployment Insurance.** Under Georgia law, religious institutions do **not** pay unemployment insurance. Therefore, church employees are not eligible to collect state unemployment insurance and should be informed of this before hire. Employers and employees should remember that employees who are terminated will not receive state or federal unemployment benefits.

Employee Reimbursement Plan. An employee of a parish may establish an *accountable or reimbursement plan* with the parish for expenses paid or incurred by him or her solely for the benefit of the parish. Accountable plans can cover business expenses such as travel and automobile expenses, meals and lodging when away from home overnight; allowable educational expenses and other expenses which are solely for the benefit of the parish.

Endowments, Trust and Permanent Funds

Parish trust funds, permanent funds and securities must be deposited with a bank, diocesan corporation or other approved agencies.

Fidelity Bond

Treasurers and custodians for any funds which exceed \$500 during any year shall be bonded.

Fiscal Year

Canons specify that the fiscal year shall begin January 1.

Reporting Requirements

- **Financial Reporting.** All parishes and missions must prepare financial statements on a monthly basis. Budgeting of parish income and expenses and comparison of actual results to budget are essential for proper planning and control.
- **Clergy Compensation Report.** A diocesan resolution requires clergy compensation to be reported annually to the *Journal of Annual Council*.
- **Parochial Report.** Each congregation is required to submit on-line the annual Parochial Report by March 1 of each year. A signed copy must also be sent to the Finance Office of the diocese by March 1.
<http://www.episcopalchurch.org/page/parochial-report>

Tax Liabilities

- **Tax-Exempt Status.** The Episcopal Church has been determined to be exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954. Copies of this exemption are available from the diocesan finance office.

- **Property Taxes.** Churches are generally exempt from property taxes, with some exceptions.
- **Sales Tax.** Churches are **not** exempt from local sales tax.
- **Payroll Taxes.** Churches are required to file payroll tax returns and remit employee withholdings and employer portions of applicable taxes. Clergy have a dual tax status. They are considered employees for income tax purposes and are considered self-employed for social security tax purposes.

END
