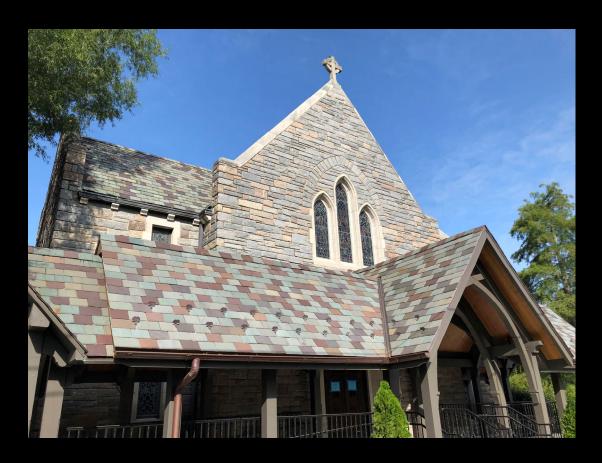


HOLY TRINITY EPISCOPAL CHURCH VESTRY HANDBOOK



Revised September 2020

"Each one should use whatever gift he has to serve others, faithfully administering God's grace in its various forms. If anyone serves, he should do it with the strength God provides, so that in all things God may be praised through Jesus Christ. To God be the glory and the power, forever and ever." Peter 4:10-11



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TABLE OF CONTENTS

VESTRY PRAYER FOR GOD'S INSPIRATION

p. 8

WHY WE HAVE A VESTRY HANDBOOK

| I. | BACKGROUND AND PURPOSE | 9 |
|------|---|----|
| A. | A brief history of Holy Trinity Episcopal Church | 9 |
| В. | Parish missions in the world: Christian Co-Creation through active Holy Trinity Episcopal Church ministries | 10 |
| II. | AUTHORIZATION | 11 |
| A. | Adoption of rules and procedures in 2018 | 11 |
| B. | Periodic revision of the Handbook | 12 |
| C. | Parish By-laws and Diocesan Canons incorporated by reference | 12 |
| | | |
| III. | THE PARISH AND THE GREATER CHURCH | 12 |
| A. | Holy Trinity Vestry's place in the organization of the church | 12 |
| B. | The Diocese | 13 |
| C. | The Bishop | 14 |
| D. | The Parish | 15 |
| E | The Property of the Parish | 15 |

CO-CREATING THROUGH SERVICE ON THE VESTRY

| IV. | NOMINATION, ELECTION, AND REMOVAL OF | |
|-----|--|----|
| | VESTRY MEMBERS | 17 |
| A. | Nomination Process | 17 |
| B. | Election of Vestry Members | 19 |
| C. | Orientation of New Vestry Members | 19 |
| D. | Filling a Vacancy on the Vestry | 20 |
| E. | Removal of a Vestry Member | 20 |
| v. | ADMINISTRATION OF THE VESTRY: OFFICERS | |
| | AND EXECUTIVE COMMITTEE | 21 |
| A. | Election of Officers | 21 |
| B. | Vacancy in Officer Position | 21 |
| C. | Executive Committee Purposes | 21 |
| | CO-CREATING IN THE ADMINISTRATION OF THE PARISH | |
| VI. | VESTRY MEMBER RESPONSIBILITIES AND OPPORTUNITIES | 22 |
| A. | Charge Under the Canons of the Diocese of North Carolina | 22 |
| B. | Commissions | 22 |
| C. | Accounting for Offerings | 24 |
| D. | Stewardship | 24 |
| E. | General Responsibilities of Vestry Member | 24 |

| F. | Election of Delegates to the Annual Convention | 26 |
|------|---|----|
| G. | Discernment of Calls to Ordained Ministry | 26 |
| H. | Sexual Misconduct | 27 |
| I. | Anti-Racism Training | 27 |
| J. | Special Advisory Boards | 27 |
| K. | Covenant Organizations | 27 |
| | CO-CREATING IN THE ADMINISTRATION OF THE PARISH | |
| VII. | TEMPORAL DUTIES: PARISH FINANCES AND PROPERTIES | 29 |
| A. | Budgeting Process | 29 |
| B. | Business Methods and Accounting Principles | 30 |
| C. | Annual Audit | 30 |
| D. | Parish Property, Encumbrance, and Debt | 30 |
| E. | Clergy Discretionary Funds | 31 |
| F. | Clergy Dual Status | 31 |
| G. | Designated Offerings | 32 |
| H. | Diocesan Commitment | 32 |
| I. | Employee Benefits | 32 |
| J. | Endowments, Trust and Permanent Funds | 34 |
| K. | Bonding and Insurance | 34 |
| L. | Fiscal Year | 34 |
| M. | Reporting Requirements | 34 |

| N. | Stewardship Campaign | 35 |
|-------|--|----|
| O. | Tax Liabilities | 35 |
| P. | Doing Business with a Member of the Parish | 36 |
| VIII. | VESTRY MEETINGS | 37 |
| A. | Meeting, Generally | 37 |
| B. | Meeting Preparation | 38 |
| C. | Comportment | 39 |
| D. | Actions Taken Without Meeting | 40 |
| E. | Minutes of Meetings | 40 |
| F. | Executive Session | 41 |
| G. | Vestry Retreat | 41 |
| | CO-CREATING WITH THE CLERGY OF THE PARISH | |
| IX. | CLERGY-VESTRY RESPONSIBILITIES AND DUTIES | 42 |
| A. | The Rector | 42 |
| 1. | Generally | 41 |
| 2. | Primary Responsibilities | 42 |
| B. | The Wardens, Secretary, and Treasurer | 46 |
| 1. | Generally | 46 |
| 2. | The Senior Warden | 46 |
| | | |

| 4. | The Secretary | 49 |
|-----|---|----|
| 5. | The Treasurer | 49 |
| C. | Continuity: Meeting of Outgoing and Incoming Officers | 50 |
| Х. | ONGOING CLERGY-VESTRY RELATIONSHIP | 51 |
| A. | Overview | 51 |
| B. | Collaboration | 51 |
| C. | Rector Tenure | 51 |
| D. | Parish Staff | 52 |
| E. | Clergy Compensation | 52 |
| F. | Conflict | 54 |
| G. | Clergy Discipline/Title IV | 55 |
| XI. | CALLING A NEW RECTOR | 55 |
| A. | The Search Process | 55 |
| B. | Search Committee | 56 |
| C. | Interim Rector | 56 |
| D. | Consultant | 57 |
| E. | Self-Study/Parish Profile/Candidate Profile | 57 |
| F. | Evaluation of Candidates/Interviews and Visits | 58 |
| G. | Decision and Implementation | 58 |
| G. | Decision and implementation | - |



VESTRY PRAYER FOR GOD'S INSPIRATION

Composed and offered by Porter Halyburton.

Our Gracious Heavenly Father:

As we come together as the Vestry of Holy Trinity Episcopal Church to try and discern how we must serve you and worship you and spread the Good News of your love and redemption to our community, we pray that your Holy Spirit will be with us and guide us as we seek the path to follow, the burdens to shoulder, and the sacrifices that we must make in our lives in order to follow your command to love you, to love our neighbors and to love our enemies.

We confess that our enemies are not just those who wish us harm, but those evils of racism, hatred, greed, and all of those things that separate us from your love and grace. Help us to right these wrongs and to accept all of your children into the community of faith, love, and respect.

Give us the strength, courage and wisdom to serve you in all that we do in these times of opportunity and challenge, and guide us along the right path.

We are grateful, O Lord, for sending us our Rector and our Clergy to shepherd us and lead us in co-creation as we seek to do your will and to magnify your Holy Name

In the name of our Savior, Jesus Christ, we pray.

Amen.



WHY WE HAVE A VESTRY HANDBOOK

I. BACKGROUND AND PURPOSE

A. A brief history of Holy Trinity Episcopal Church

Holy Trinity Episcopal Church (Holy Trinity) got its start in 1869 when a group of lay people met at a home on West Market Street, elected a vestry, and picked the name St. Barnabas for Greensboro's first Episcopal parish. The cornerstone for Holy Trinity was laid May 31, 1871, at the corner of what is now Friendly Avenue and Greene Street, the site of the current Elon University law school.

In 1891, a group left St. Barnabas to form St. Andrew's mission, which became a parish in 1893. In May of 1910, the two parishes consolidated as Holy Trinity. The new congregation worshipped in the St. Barnabas Sanctuary for two years, then split again, with a group re-forming St. Andrew's and a group remaining at Holy Trinity.

Holy Trinity bought the current site of its campus located on Greene Street and Fisher Avenue in 1919 and thereafter built a much-needed parish house. Famed architect Hobart Upjohn designed the original three-story building that included an assembly hall and offices. The congregation continued to worship at the old sanctuary until 1930, when the parish house assembly hall became today's All Saints Chapel.

Holy Trinity thrived in the years after World War II, raising money to build the current Sanctuary, with construction starting in 1949. The first services in the current Sanctuary were held Easter Sunday 1950. Construction on the current Parish House was completed in 1962. A capital campaign in 1990 raised money to build a columbarium and renovate the office space and Parish House. Another capital campaign in 2017 raised money for improvements to the ever-growing church campus. Today, more than 100 years after its founding, Holy Trinity thrives with 2,400 parishioners.

B. Parish missions in the world: Christian Co-Creation through active Holy Trinity Episcopal Church ministries

(1) The mission of Holy Trinity Church.

The adopted Mission Statement of the Parish is:

We seek to know Christ and make him known, through an inward journey of faith and an outward journey of service, giving thanks to God in all things.

(2) *Implementing the mission statement.*

The Parish exists to provide worship in the liturgies of the Episcopal Church of the United States and the greater Anglican Communion, provide Christian education for youth and adults, and apply the mission statement through active ministries to the world.

Generally, the Parish has adopted co-creation as an encompassing approach to and inspiration for its missions. At Holy Trinity, co-creation means the alignment of the individual life with divine power and purpose, and our shift, as people of faith, from a dynamic of "power over" to "power with." Co-creation is further described in this way:

Shifting our inner power base in the pattern and power of Jesus, the servant leader, aligning our life with God's Dream and God's particular "call" for us, engaging with others in a spirit of collaboration, and (increasingly) serving as co-creative instruments of divine power and divine purpose in the world.

(from Second Breath Center, Rev. Greg Farrand and Ruth D Anderson, Ph.D., co-directors)

The work of the Vestry should therefore be undertaken as a collaborative act of co-creation, and always with the intention of furthering the mission of the Parish and facilitating its implementation in the lives of the clergy, the parishioners, and all other persons receptive to the Word of God and God's work in the world. Co-creation requires perpetual mindfulness of our covenant of faith, to love God and to show that love in our lives by loving our neighbor. The Vestry should undertake its work prayerfully, through individual prayers and the corporate prayers of the Book of Common Prayer, such that the Holy Spirit may work through the Vestry. With that intention the Vestry has adopted the Vestry Prayer to invoke the blessings of God, that the Vestry's work may be God's work.

II. AUTHORIZATION

A. Adoption of rules and procedures in 2018

Under Article IX of the Parish By-laws, it is contemplated that the Vestry shall adopt and maintain rules for its operation and procedures. Over the years, separate written guidelines were not adopted, leaving duties and decision-making to tradition and interpreting the By-laws. In 2018, the Vestry formed an ad hoc committee to create a comprehensive and permanent document containing rules for operation and procedures to assist future Vestries in the administration of the

parish. This Vestry Handbook, in its original form, was the result of the By-laws Committee's work and was adopted by the Vestry on November 16, 2019.

B. Periodic revision of the Handbook

This Handbook should be updated on an annual basis in order to conform the Handbook to any changes in the applicable Canons of the North Carolina Diocese or to make any changes deemed required by the current Vestry. Changes should be made only after consideration at a duly convened meeting of the Vestry and upon majority approval of the Vestry in accordance with Article IX of the By-laws. To the extent that there are any contradictions between a provision of the Handbook and the By-laws, the By-laws shall control. To the extent there are any contradictions between a provision of the Handbook and a Canon, the Canons shall control.

C. Parish By-laws and Diocesan Canons incorporated by reference

The By-laws of Holy Trinity Church Parish and the Canons of the North Carolina Diocese (https://www.episdionc.org/constitution-canons/) are incorporated into this Handbook by reference. The By-laws and the Canons are referred to generally or by specific sections throughout the Handbook. Vestry members are encouraged at any time to consult the full By-laws or Canons as from time to time may be helpful. Hyperlinks to other referenced documents and resources are set forth throughout the Handbook.

III. THE PARISH AND THE GREATER CHURCH

A. Holy Trinity Vestry's place in the organization of the church

Holy Trinity Parish exists within a great denominational tradition of the Christian Church that originated in Sixteenth Century England and ties the Parish to Christians across the state and nation, and around the world. Generally speaking, the Vestry serves as both the parish's lay administrative body working with the rector to meet the parish's needs, and as the parish's lay interface with the

Episcopal family that makes up the Episcopal Church and the Anglican Communion. Responsible for employment and compensating rector and staff, maintaining the physical property of the parish, and ensuring the observance of canon law in the parish. Members of the Vestry should remain always conscious of these connections, and the following provides a structural overview of those connections.

B. The Diocese

(1) A diocese is the fundamental geographical unit of the church. The rules under which the diocese functions are called canons. The diocese is the only ecclesiastical entity whose boundaries are precisely defined by canon law. The parish is by canon law subordinate to the diocese, and a parish may be called "episcopal" only because it is in communion with the Bishop, the diocese, and the Episcopal Church in the United States of America.

• Holy Trinity Church is part of

The Diocese of North Carolina (<u>www.episdionc.org</u>), which is a part of The Episcopal Church (<u>www.episcopalchurch.org</u>), which is a part of The Anglican Communion (<u>www.anglicancommunion.org</u>).

- (2) The Diocese of North Carolina is one of three Episcopal dioceses in NC and corresponds roughly to the areas between I-77 as the western boundary and I-95 as the eastern boundary and includes Charlotte, Winston-Salem, Greensboro, Raleigh and Durham. The Episcopal Diocese of Western North Carolina lies to the west extending into the Appalachian Mountains and the Episcopal Diocese of East Carolina lies to the east extending to the Atlantic Ocean. The offices of our Diocese are located in Raleigh and the Rt. Rev. Samuel Sewall Rodman III is the current bishop diocesan, having been consecrated in 2017. His predecessor, the Most Rev. Michael Bruce Curry, is now the Presiding Bishop of the Episcopal Church.
- (3) Under Canon 20 of the Diocesan Canons, each parish and mission shall give in support of the Mission and Ministry Budget of the Diocese an amount equal to a tithe (10%) of its total operating income for the preceding year, or such greater

percentage, not to exceed fourteen percent (14%), as may have been established by the Convention. The Diocesan Council may reduce the amount required of any parish or mission for good cause shown. The clergy and lay delegates of any parish or mission which fails to comply with this obligation shall be deprived of the right to vote in the Convention and the parish or mission shall be subject to such other sanctions as may be imposed by canon until the obligation has been fully discharged. [Amended by Act 2010-1]

- (4) The Diocese of North Carolina is 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.
- (5) Holy Trinity is part of the Greensboro Convocation.

C. The Bishop

- (1) The Bishop is the chief pastor of the diocese. Because he or she is unable to be present in each congregation each Sunday, presbyters, or priests, serve as his or her delegates and representatives in local congregations. Clergy are not members of their congregations but are members of the diocese.
- (2) 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.
- (3) 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.

D. The Parish

- (1) Canon 30 of the Diocese of North Carolina sets forth specific requirements for a worshiping 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.
- (2) The Parish shall have by-laws. Holy Trinity's By-laws are available from the rector or parish administrator.

E. The Property of the Parish

- (1) Both real and personal property of the parish is held by the Vestry in trust for the Episcopal Church and the Episcopal Diocese of North Carolina and is secured against alienation from the Episcopal Church in the Diocese of North Carolina. This includes both real estate and financial resources.
- (2) 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. The Parish Administrator shall conduct a review of the adequacy of insurance coverage and provide recommendations to the Vestry prior to its meeting in July of each year. Our church property and facilities insurance policies renew August 1st of each year.

(3) Canon 23 provides that before the Vestry can sell, mortgage, or otherwise convey or encumber any real property held by the parish or by other entity formed or controlled by or affiliated with such parish, including encumbrances arising from purchase money obligations or engage in any borrowings or other similar financing transactions, the aggregate amount of which exceeds 50% of the normal operating income of the parish for the previous calendar year or the repayment of which may extend beyond a term of 12 months, it shall obtain the written consent of the Ecclesiastical Authority, acting with the advice and consent of the Standing Committee of the Diocese. Upon obtaining this consent, the Vestry may, by appropriate resolution, authorize the Wardens to execute such instruments as may be necessary or convenient for the purpose, and instruments so executed shall have the same force and effect as if executed individually by the members of the Vestry. In such instruments, a recital by the Wardens of their authority to act on behalf of the Vestry, and of the fact that the written consent of the Ecclesiastical Authority, acting with the advice and consent of the Standing Committee of the Diocese, has been obtained, shall be prima facie true, and in the absence of notice or knowledge to the contrary, may be relied upon by the grantee or grantees in such instruments.



CO-CREATING THROUGH SERVICE ON THE VESTRY

IV. NOMINATION, ELECTION, AND REMOVAL OF VESTRY MEMBERS

The Vestry is made up of 12 persons who serve in a class of four persons each for a term of three years. (Canon 22, Section 2(c))

A. Nomination Process

- (1) The Executive Committee along with the outgoing class of Vestry members shall constitute the Nomination Committee.
- (2) The Nomination Committee shall meet in September of each year to constitute a slate of at least 8 nominees for Vestry, four of whom will be elected. Additional members of the congregation can be nominated from the floor during the Annual Parish Meeting.
- (3) Eligible Vestry candidates:
- (a) must be a confirmed member of the Episcopal Church enrolled as a member

of the church, 18 years of age or older;

- (b) must have been regular in attendance at the services of the church in the year preceding election;
- (c) must have made and maintained a financial commitment to the church in the year preceding election;
- (d) must not have served on the Vestry during the preceding year;
- (e) should be active participants in one or more ministries of the church;
- (f) should be persons who are able to keep confidentiality since Vestry members often deal with matters that are sensitive;
- (g) should have access to internet connectivity for purposes of email correspondence and virtual meetings;
- (h) should be persons who are able to understand and deal with members of the church and staff who hold diverse points of view on a wide range of matters; and
- (i) should be persons who, after the Vestry has made a decision by agreement or vote, are willing and able to interpret and explain the decision in the most favorable light, both publicly and privately, to members of the church who inquire about it.
- (4) Nominations for the Vestry may be made only after the nominees have consented to be placed on the ballot, and a request shall be sent to all agreeable Vestry nominees for biographical information.
- (5) The names of all the nominees and their biographical information shall be communicated to parish members in the ePistle as well as a written mailing to members of the church at least two weeks prior to the Annual Parish Meeting.

B. Election of Vestry Members

- (1) The Annual Parish Meeting (APM) is traditionally held on the first Sunday of October to hear annual reports, and to discuss old and new business (https://www.episdionc.org/annual-parish-meetings/). Variation in the scheduling and conduct of the APM is only allowed as permitted under extraordinary circumstances by the Canons and the By-laws.
- (2) The Senior Warden presides at the APM. In the ePistle and church communications, written notice of the APM with the slate of nominees is given at least two weeks prior to the meeting.
- (3) Only enrolled, confirmed communicants in good standing, eighteen years of age or older, who are present at the meeting, are eligible to vote. Neither proxy voting nor absentee voting is permitted, except as permitted under extraordinary circumstances by the Canons and the by-laws.
- (4) Election of a nominee to the Vestry is by confidential written ballot and requires a majority vote of those present and voting. Nominees receiving a majority shall be declared elected. If additional ballots are required, the nominees to be voted on for each ballot shall be limited to twice the number of positions remaining to be filled and, within that number, shall be those not elected on the previous ballot who received the highest number of votes. However, should there be a tie vote for the last position on any subsequent ballot, the number of nominees to be placed on that ballot is increased to include the two or more nominees whose votes were tied.

C. Orientation of New Vestry Members

- (1) An orientation for first-time Vestry Members will be scheduled prior to the first Vestry meeting in a calendar year.
- (2) Copies of the past three months' Vestry packets are given to each new member.
- (3) New members begin attending Vestry meetings in January of each year but

are invited to attend the December Vestry Christmas Party.

(4) All efforts shall be taken to orient a Vestry member who is filling an unscheduled vacancy prior to such Vestry members first meeting.

D. Filling a Vacancy on the Vestry

A vacancy on the Vestry is filled by vote of the Vestry from among those persons in the church eligible to serve. A person elected to fill a vacancy holds the office until the expiration of the term. Such person filling the vacancy is eligible to be a Vestry nominee following the end of the term if his or her service has been one year or less.

E. Removal of Vestry Member

- (1) A person may be removed as a member of the Vestry for cause by vestry only in accordance with the following:
- (a) A person may be removed as a member of the Vestry by the vote of two-thirds (2/3) of the members of the Vestry then in office if the person has missed three or more meetings of the Vestry in a twelve month period without excuse; or
- (b) A person may be removed as a member of the Vestry by the vote of two-thirds (2/3) of the members of the Vestry then in office for cause other than the failure to attend Vestry meetings; or
- (c) Before any meeting of the Vestry at which a vote on the removal of such person will be made, such person must be given notice of the date and time of the meeting and the cause for removal, and such person must be given an opportunity to be heard at the meeting.

V. ADMINISTRATION OF THE VESTRY: OFFICERS AND EXECUTIVE COMMITTEE

A. Election of Officers

At the first meeting of the Vestry in each calendar year, the Vestry shall elect the following who, along with the Rector, shall comprise the Executive Committee:

- <u>Senior Warden</u> upon nomination by the Rector unless there is no Rector, in which case the election shall proceed with nomination by the Vestry.
- <u>Junior Warden</u> upon nomination by the Vestry and/or the Rector.
- <u>Secretary</u> upon nomination by the Vestry and/or the Rector.
- <u>Treasurer</u> upon nomination by the Vestry and/or the Rector.

B. Vacancy in Officer Position

If a vacancy occurs in the office of Senior Warden, Junior Warden, Secretary, or Treasurer a successor shall be nominated and elected in the same manner. In the absence of the appointment of a Treasurer, the Junior Warden shall act as Treasurer.

C. Executive Committee Purposes

The Executive Committee seeks to guide the Vestry, proposes agendas for upcoming meetings, and executes business delegated to it by the Vestry as a whole. The Executive Committee meets at least once between each Vestry meeting.

VI. VESTRY MEMBER RESPONSIBILITIES AND OPPORTUNITIES

A. Charge Under the Canons of the Diocese of North Carolina

- (1) The Vestry shall be the trustees, shall have charge of all the secular concerns of the church, shall hold the property belonging thereto, and shall be authorized to collect, invest, and disburse its funds and enter into contracts on behalf of the church. (Canon 23, Section 1).
- (2) The Vestry is responsible for calling a new rector when there is a vacancy. See Section X below.
- (3) Vestry members are 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. 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.

B. Commissions

- (1) Holy Trinity has various commissions that assist the Vestry and the Rector in carrying out their responsibilities for the benefit of the parish. Vestry members will serve on the various commissions of the parish. At least one member of the Vestry should serve on each of the commissions as a liaison, but the chair of the commissions need not be a Vestry person. On commissions, the Vestry liaison assigned shall provide appropriate knowledge and assist in representing the commission to the Vestry. Commissions shall meet no less than two times per year but otherwise as frequently as needed.
- (2) At the beginning of each year, Vestry members shall indicate the commissions on which they have an interest in serving. The Senior Warden, in consultation with the Rector, shall make the assignments.

- (3) Commissions shall have decision making power as determined by the Vestry. It is the policy of each commission that terms be restricted to three years and members shall be appointed by and serve at the discretion of the Senior Warden and the Rector in consultation with the Vestry. When deemed appropriate, exceptions to this policy may be made by Rector and Senior Warden with the approval of the Vestry, particularly in cases of ongoing project work or special skills. Commissions that already have term limit policies as of the date of adoption of this Handbook shall work under their own pre-existing rules and conditions.
- (4) The standing commissions are the following:
 - Business and Finance Commissions
 - Personnel Commission
 - Communications Commission*
 - Physical Properties Commission
 - Youth Ministry Commission
 - Stewardship Commission
 - Gateway Commission
 - Community of Hope (formerly Congregational Care Commission)
 - Christian Formation Commission
 - Outreach Commission
 - Worship Commission
 - Columbarium Commission
 - Memorial Gifts Commission
 - Altar Guild
 - Greens Guild
 - Beloved Community (antiracism) Commission

^{*}Currently inactive, awaiting new Communications specialist.

(5) Additional ad hoc commissions may be formed by the Vestry and/or the Rector. Commission membership rosters, contact information, and the roles of each commission shall be maintained as directed by the Vestry.

C. Accounting for Offerings

In teams of two members, the Vestry is responsible for counting the Sunday and Holiday offerings in the collection plate for each service in accordance with the procedures established and maintained by the Treasurer.

D. Stewardship

- (1) 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. As such, Vestry members shall be communicants in good standing. Vestry members should be committed to supporting the mission of the church. In the event that Vestry members are unable to do so, they should resign their positions.
- (2) A vestry is called to have a vision of the mission of the parish 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 to meet the needs of God's people in the world and to extend the mission of the parish. Experience has shown that only those congregations with this vision and commitment are healthy and thriving.

E. General Responsibilities of Vestry members

- (1) Strive to pattern their life and that of their family in accordance with the teachings of Christ, so that they may be a wholesome example to others;
- (2) Pray daily for the Parish, clergy and parishioners;
- (3) Attend Sunday services regularly and major Church events wearing Vestry name tags in order to help parishioners know who serves on the Vestry and to invite interaction;

- (4) Attend Vestry meetings and retreats as a part of Vestry business and life together;
- (5) Be responsible for the congregation's visible presence in the community;
- (6) Have, with the clergy, active communication with the diocese, including periodic meetings with the Bishop to present accountings of the congregation's life and ministry;
- (7) Be responsible for support of the Rector, provide regular feedback on clergy performance, and encourage communication between the Congregation, the Vestry, and the Rector;
- (8) Be responsible, with the clergy, for care of paid and volunteer personnel including but not limited to ensuring such personnel's adequate compensation, benefits, equipment, resources, training and support;
- (9) Serve as liaisons to the Church's commissions and committees;
- (10) Provide leadership in helping the Church grow into a deeper understanding of stewardship; and in the hospitality of Christ, the stewardship of gifts of time, talent, treasure, and creation;
- (11) Be responsible for self-assessment to determine and improve performance;
- (12) With the clergy:
- (a) Discern God's mission and how God is leading our congregation;
- (b) Articulate and communicate this vision to the congregation, reviewing and updating it regularly;
- (c) Discern which activities best enable the congregation to fulfill its mission;
- (d) Hold the Church community accountable for realization of this vision.

F. Election of Delegates to the Annual Convention

The Vestry elects the delegates to the Annual Convention. The number of delegates is determined by the size of the congregation as set forth in the constitution of the diocese. Delegates to Annual Convention are not elected by the congregation but are approved by the Vestry. Currently Holy Trinity has six (6) delegates and three (3) alternates serving staggered three (3) year terms. Names of the current delegates are available from the rector or parish administrator.

G. Discernment of Calls to Ordained Ministry

- (1) All baptized persons are called to minister in Christ's name. A lifelong commitment to Christian Formation by all Baptized persons is necessary to sustain their ministries and it is the Parish'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 North Carolina, all the way to ordination as a deacon and priest.
- (2) 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 parish, either lay or ordained.
- (3) 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.

H. Sexual Misconduct

All parishes in the Diocese of North Carolina 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 training. The Vestry is the responsible party for any inquiries or problems that may occur regarding sexual misconduct whether clergy, staff or parishioners are involved.

I. 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 the Vestry as well.

J. Special Advisory Boards

Holy Trinity has several special advisory boards that provide guidance for some of the special programs of the parish. These are as follows:

- Holy Trinity Day School Advisory Board;
- Holy Trinity Music School Advisory Board; and
- Episcopal Church Women Advisory Board.

K. Covenant Organizations

Holy Trinity has special relationships with organizations that have grown out of Holy Trinity to create their own organizations. These are as follows:

- Music School.
- Second Breath Center.

• Holy Trinity Foundation.

These relationships are established by covenant. The covenant relationship means that each covenanting party – Holy Trinity on the one part, acting through the Vestry and Clergy, and these organizations, respectively, on the other part, has undertaken a special commitment of mutual support one to the other. The respective covenants are undertaken in writing and are available as currently stated and executed from the rector or parish administrator.



CO-CREATING IN THE ADMINISTRATION OF THE PARISH

VII. TEMPORAL DUTIES: PARISH FINANCES AND PROPERTIES

A. Budgeting Process

The following schedule sets forth the proposed steps and stages of the Parish's annual planning/budgeting cycle and may be revised as needed by the Rector, Vestry, and Business and Finance Commission. This schedule assumes an active Stewardship Campaign from October through November.

Fall Rector/ Parish Administrator obtains input from staff.

Fall Rector/ Parish Administrator and Treasurer provide the Business and Finance Commission and Vestry with preliminary spending priorities and preliminary budget draft.

Late Fall Recommendations from Personnel Commission on compensation and benefits.

December Stewardship Commission prepares an estimate on probable funding. Treasurer revises preliminary budget as appropriate.

Early

January Treasurer Presents to Vestry Preliminary Budget for discussion.

February Business and Finance Commission reviews and recommends budget

to Vestry.

February Vestry reviews and approves Budget.

B. 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 2012*, published for Episcopal parishes, provides explanations and guidelines for fulfilling these fiscal responsibilities. The Parish shall follow GAAP.

C. Annual Audit

An annual examination of business practices and financial condition is required for every parish in the Diocese of North Carolina. Holy Trinity is required to have an annual audit by an outside accounting firm. The Business and Finance Committee shall revisit its audit contract no less than every three (3) years. 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.

D. Parish Property, Encumbrance, and Debt

(1) 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 North Carolina* 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.

(2) 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)

(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.

E. 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. Additional rules and regulations may be obtained from the rector or parish administrator.

F. Clergy Dual 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 self-employment tax. Clergy should not receive a Form 1099 for reporting income from parishes. Clergy should receive a Form W-2 showing the compensation.

G. 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.

H. Diocesan Commitment

Each parish and mission shall give in support of the Mission and Ministry Budget of the Diocese an amount equal to a tithe (10%) of its total operating income for the preceding year, or such greater percentage, not to exceed fourteen percent (14%), as may have been established by the Convention. The Diocesan Council may reduce the amount required of any parish or mission for good cause shown. The clergy and lay delegates of any parish or mission which fails to comply with this obligation shall be deprived of the right to vote in the Convention, and the parish or mission shall be subject to such other sanctions as may be imposed by canon law until the obligation has been fully discharged.

I. Employee Benefits

It is the Vestry's responsibility to ensure that the Parish complies with all requirements for providing Employee Benefits. The Personnel Committee shall report to the Vestry in January of each year whether the Parish complies with all requirements for providing Employee Benefits.

- (1) 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.
- (a) The Episcopal Diocese of North Carolina 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 1,000 hours or more per year) and not otherwise covered.

- (b) Employees may opt out of Diocese of North Carolina 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.)
- (c) 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 North Carolina health plan. Cost sharing for insurance coverage must be the same percentage for all qualified employees.
- (d) 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.
- (2) Pension: Both clergy and lay employees are to be provided with pension and retirement benefits.
- (a) Clergy pensions are paid into the Church Pension Fund 18% of the clergy's salary, housing and SECA compensation.
- (b) 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%.

- (3) Workers Compensation: Every parish or mission employing three or more persons must provide Workers Compensation insurance coverage.
- (4) Unemployment Insurance: Under North Carolina law, religious institutions do <u>not</u> pay unemployment insurance. Therefore, parish 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.
- (5) Life Insurance: Term life insurance provided through the Diocesan group life insurance is mandatory for clergy and shall also be provided for non-clergy employees regularly working over 20 hours a week. The coverage amount shall be equal to one year's pension-based compensation, rounded to the nearest thousand.

J. Endowments, Trust and Permanent Funds

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

K. Bonding and Insurance

Treasurers and custodians for any funds which exceed \$500 during any year, including staff, shall be insured against defalcation.

L. Fiscal Year

Canons specify that the fiscal year shall begin January 1.

M. Reporting Requirements

(1) Financial Reporting. All parishes 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.

- (2) Clergy Compensation Report. A diocesan resolution requires clergy compensation to be reported annually to the *Journal of Annual Council*.
- (3) 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.

N. Stewardship Campaign

Stewardship is the year-round ministry of returning to God a portion of all that God has given. The Annual Giving Campaign is an essential part of the stewardship commitment. Financial campaigns for operating and special needs are often necessary. The Vestry serves as leaders in giving and supports the grateful and responsible use of annual giving gifts we receive.

O. Tax Liabilities

- (1) 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.
- (2) Property Taxes: Churches are generally exempt from property taxes, with some exceptions, including unrelated business income tax.
- (3) Sales Tax: Churches are not exempt from local sales tax. The church does apply for refund of sales taxes as allowed by law.
- (4) 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.

P. Doing Business with A Member of The Parish

- (1) Any work performed or services provided by any parishioner with the expectation of payment, in any manner, shall be subject to a written agreement approved by the Junior Warden. At the discretion of the Junior Warden or the Vestry, the Junior Warden can delegate this approval right to the Vestry. The Parish shall not accept services in exchange for a credit against a pledge obligation.
- (2) The Vestry should determine whether the agreement should be in writing by exercising good business practices regardless of whether the agreement is with a parishioner. When in doubt, it is wise to err on the side of a written agreement in order to avoid misunderstandings later. In all circumstances, there shall be a fair, competitive, and confidential bid process.
- (3) As would be the case with a non-parishioner, the written agreement (typically) must cover cost, schedule, quality, materials, scope of the work, and change orders.
- (4) If the Vestry would vote on the agreement if it were with a non-parishioner, it must vote on the agreement with a parishioner. Action on the agreement should be an agenda item at a Vestry meeting, and members should have the agreement to review.
- (5) Interested parties (those who would be parties to the agreement), must physically leave the room during the Vestry's deliberations. The Vestry should consider the issue as if the agreement were not with a member.
- (6) Comments establishing the rationale for this rule are set forth in the appendix.

Q. Zero-Based Budget.

Every year, the Vestry shall consider and shall use its best efforts to create and budget from a zero-based budget.

VIII. VESTRY MEETINGS

A. Meetings, Generally

- (1) The Vestry generally meets the fourth Monday of each month of the year (or at such date during each month as determined by the Senior Warden), with the December meeting being a holiday event including the newly elected Vestry members.
- (2) Special meetings of the Vestry may be called by the Rector, the Wardens, or any three members of the Vestry as needed and, except by unanimous consent, require at least three days advance notice to the Vestry members.
- (3) Vestry meetings generally begin promptly at 6:00 P.M.
- **(4)** The Rector presides at all Vestry meetings but may, in special cases, delegate that responsibility to the Senior Warden. (In the event of a vacancy in the office of rector, the Senior Warden presides.) 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 or other matters related to the Rector are being considered, it is appropriate for the Rector to ask the Senior Warden to preside and for the Rector to leave the room, so that the Vestry can freely discuss compensation for the coming year or such other matters relating to the Rector. In the event that three (3) members of the Vestry make a request to the Senior Warden that the Rector not be present for discussion relating to a matter involving the Rector, the Vestry shall convene an informal meeting without the Rector, for discussion only and during which no formal action shall be taken. In the event members of the Vestry make such requests to the Senior Warden and request that the Senior Warden not disclose their identity to the Rector, the Senior Warden shall comply with such request.
- (5) Each meeting will have, at a minimum, reports from the Rector, his/her associates, the Treasurer and Wardens so that the full Vestry is aware of any particular financial or business issues that could impact the Parish.

- (6) A Vestry member shall be allowed to attend a meeting by teleconference, videoconference, or any other technology that allows all persons participating to hear each other at the same time and to participate in discussion. For purposes of determining a quorum and voting, members participating in a meeting by means of this remote technology are deemed present in person at the meeting. A person who is not present in person or by this remote technology shall not be allowed to vote by proxy.
- (7) Routine motions, resolutions, elections, and all other matters presented to the Vestry for vote shall be decided by a majority of the members present at a meeting in person or by remote technology in which there is a quorum is present. A majority of the membership shall be necessary to constitute a quorum.
- (8) Vestry meetings are open to the parish. Parish members may observe without right of participating by comment, vote, or otherwise, and except to the extent that the Vestry goes into executive session as described herein.
- (9) The provisions herein establishing the procedures and requirements for meetings of the Vestry, including the Annual Parish Meeting, shall be modified in extraordinary circumstances as permitted by the Canons and the By-laws.
- (10) The schedule of Vestry meetings for the current year shall be maintained by and be available from the Vestry Secretary.

B. Meeting Preparation

- (1) The agenda of Vestry meetings shall be prepared by the Rector and approved by the Executive Committee.
- (a) All information will be e-mailed out with minutes of the last meeting no later than the Thursday before the Vestry meeting on Monday.
- (b) Vestry Members shall read their Vestry packet before the meeting. If a member has particular questions on a report or resolution, the member shall call the

person responsible for clarification before the meeting.

- (c) Vestry members shall check emails prior to the Vestry meeting.
- (d) Vestry members shall pray for the Rector and each member of the Vestry regularly.
- (e) If a Vestry member Wishes to be on the agenda, he or she should notify the Rector before the meeting, allowing ample time to include the member on the agenda.

C. Comportment

- (1) 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.
- (2) Vestry members shall keep in mind that all members are valuable in the decision process.
- (3) Important decisions, such as the calling of the Rector or establishing a major new direction for the parish, shall be made by a vote of the Vestry. In other matters and issues, a consensus shall be sought. A consensus does not mean that everyone wholeheartedly supports a decision but that everyone can live with and support it; it means that the Vestry members talk together and listen to what everyone has to say long enough for consensus to emerge. If there is not a consensus, then the issue should not be acted upon.
- (4) Items discussed in executive session in Vestry meetings shall remain confidential unless otherwise directed by vote of the entire Vestry.
- (5) Members should be honest with one another. It is okay to take risks, including advocating unpopular decisions.

- (6) Members should be active listeners, ask clarifying questions and avoid generalities and innuendo.
- (7) Members should own their opinions and be prepared to substantiate them with fact.
- (8) When a decision is made, the topic is settled, and the decision shall be unanimously supported by all Vestry members.
- (9) Each member should understand that 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 we do not let conflicts in the Vestry and in the congregation go unattended. The Bishop and his staff are available not only to work with the Vestry to resolve conflicts, but to anticipate them and help the Vestry deal with them productively. The Bishop's Office should be contacted immediately to assist church wardens in time of conflict or pastoral need. Wardens may have access to the Bishop without the Rector being present, but 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.

D. Actions Taken Without Meeting

Actions required or permitted to be taken by the Vestry may be taken without a meeting if (i) all members of the Vestry consent to the action in writing or by authenticated electronic transmission, and (ii) such written or authenticated electronic transmissions are filed together with the minutes.

E. Minutes of Meetings

An official record of Vestry meetings must be kept insuring communication from meeting to meeting, from one Vestry to the next, and from the Vestry to the church as a whole. The Vestry's responsibility as elected leaders of the parish dictates that

accurate records on financial matters be recorded. Minutes of all decisions made by the Vestry must be kept in the permanent files of the parish. To the extent that a majority vote of the Vestry determines that a matter reflected in the minutes shall be confidential, the Church shall only publish to the congregation redacted versions of the minutes with redactions applying only to such matters that are to remain confidential.

F. Executive Session

- (1) The Rector, Senior Warden, or any member of the Vestry may call an executive session of the Vestry, which session shall only occur upon the majority vote of the Vestry, from which all visitors would be excluded. The Rector presides in executive sessions just as in public Vestry meetings. At the end of such executive session, a vote shall be taken to leave the executive session.
- (2) During an informal meeting called as permitted hereunder, the Vestry may enter executive session without clergy upon a majority vote of the Vestry. These sessions may include, but are not limited to, discussions of Rector's compensation. A summary of the discussions of any such meeting shall be communicated to the Rector by the Senior Warden, along with the stated purpose of the executive session.

G. Vestry Retreat

The Vestry shall have an annual Vestry planning day or weekend. The Rector shall designate an appropriate time when all of the incoming class and veteran Vestry members can assemble.



CO-CREATING WITH THE CLERGY OF THE PARISH

IX. CLERGY-VESTRY RESPONSIBILITIES AND DUTIES

The respective responsibilities and duties of the Rector and Officers of the Vestry are as follows.

A. The Rector

1. Generally.

- 1.1 Per Constitution and Canons of the Episcopal Church and the Diocese of North Carolina (2018):
- 1.2 The Rector is recognized as having, by virtue of his/her office, the exclusive regulation, under their canonical superiors, of all the spiritual concerns of the parish. (Diocese of North Carolina Constitution, Article X, Section 2)

- 1.3 The Rector is entitled at all times to have access to the parish's buildings and to open the same for the services or instruction of the Church. (Diocese of North Carolina Constitution, Article X, Section 2)
- 1.4 The Rector is entitled to call meetings of the Vestry or congregation to preside in the same, and, in case of a tie, to cast the deciding vote. (Diocese of North Carolina Constitution, Article X, Section 2)
- 1.5 Any clergy serving as assistants in the Church, by whatever title designated, shall be selected by the Rector and shall serve under the authority and direction of the Rector. (Canons of the Episcopal Church, Canon 9, Section 3(3)(c))

2. Primary Responsibilities.

The Rector will have primary responsibility for the following:

- 2.1 For worship according to the Book of Common Prayer. Included in this responsibility is worship for Sundays, Wednesdays, and Holy Days, including music. In addition he/she will:
- 2.2 To ensure sermons are offered each week based ordinarily on the lectionary readings for the day.
- 2.3 To coordinate and supervise the work of all other participants in worship, including assisting clergy, readers, lay eucharistic ministers, choirs, musicians and all others.
- 2.4 To develop other worship opportunities and services as appropriate.
- 2.5 To offer baptism, marriage, burial, confirmation as appropriate.
- 2.6 To spend regular time in prayer and in study of the Bible.
- 2.7 To serve as chief steward and administrator of the assets and ministry of

Holy Trinity Episcopal Church. His/her responsibilities in this regard include:

- (a) The care and use of the property of the Parish, especially its buildings.
- (b) The management of the Parish's assets and finances, in consultation and with approval of the Vestry.
- (c) The encouragement of good stewardship on the part of the members of the Parish.
- (d) The hiring, supervision, and termination (when warranted) of staff persons in consultation with the Vestry.
- (e) Oversight of the administration of the life of the parish, in consultation with the Vestry.
- (f) The recruitment, training, oversight, and management of the assisting clergy and lay leadership of the Parish, in consultation with the Vestry.
- 2.8 For overseeing Christian education and formation in the Parish. In this regard, he/she will:
- (a) To teach the Gospel of Jesus Christ by word and example.
- (b) To oversee Christian Education in the Parish, including education for young people and adults.
- (c) To oversee preparation for baptism, confirmation, reaffirmation, and reception.
- (d) To develop other educational opportunities as appropriate.
- (e) To participate in continuing education programs for his/her own growth and development as appropriate.

- 2.9 For assisting the Parish in reaching out to and welcoming members of the larger community into the Parish. In this regard, he/she will:
- (a) Model the hospitality of Christ by welcoming all sorts and conditions of persons into the parish.
- (b) Encourage the development of ministries of hospitality.
- (c) Equip the laity to proclaim by word and example the good news of God in Christ.
- 2.10 For serving as the chief pastor of the Parish. In this regard, he/she will:
- (a) Oversee the care of individuals and families in joy and sorrow.
- (b) Offer pastoral care in relation to birth, marriage and death.
- (c) Make referrals for counseling and other services.
- (d) Equip the assisting clergy and laity for extending pastoral care to one another.
- (e) Offer spiritual counsel and guidance for the members of the Parish.
- (f) Model good self-care by managing his/her times of work and rest and giving adequate time and support to his/her family.
- (g) Tend to the quality of his/her own spiritual life through retreats, days of refreshment, spiritual direction, and other appropriate means.
- 2.11 For encouraging the Parish to serve the larger community. In this regard, he/she will:
- (a) Model concern and care for the needs of the world.

- (b) Assist in the development of ministries of service to the wider community.
- (c) Take his/her share in the life and ministry of the Diocese of North Carolina

B. The Wardens, Secretary, and Treasurer

1. Generally.

1.1 Per Canon 22, Section 3, Wardens:

Duties Generally. In the absence of the Rector, the Wardens shall preside in all meetings of the Vestry or congregation, in order of their official seniority. As representatives of the Vestry, they shall (subject to the Vestry's directions and consistent with the rights of the Rector) have charge of the church building and they shall see that it is kept from all uses inconsistent with the doctrine or discipline of the Protestant Episcopal Church and, so far as possible, in good repair, as becomes the house of God. The Wardens shall see that the church is prepared for public worship and that order is preserved.

2. The Senior Warden

- 2.1 The Senior Warden is traditionally the "Rector's Warden" and should be someone who is an enthusiastic supporter and co-worker with the Rector. The Senior Warden's specific duties are set out in the following subsections.
- 2.2 Serving as a member of the Executive Committee of the Vestry.
- 2.3 Preparing and presenting to the congregation a report on the state of Holy Trinity Church at the Annual Parish Meeting each year.
- 2.4 Directing, overseeing, and promoting the coordination of the work among the committees of Holy Trinity Church.

- 2.5 Together with the Treasurer, ensuring that the accounts, records and funds of the parish are properly budgeted and controlled, and that the property and facilities of the parish are properly insured and protected.
- 2.6 The Senior Warden, along with one member of each current Vestry class, arranges for an annual ministry review of the Rector and the Parish. Each Vestry class shall choose the member of its class that will participate in this review.
- 2.7 Working with the Rector to address parish issues that may arise.
- 2.8 Working closely with the Rector in creating a list of Vestry priorities and in ensuring that initiatives are begun and completed consistent with the Vestry priorities adopted by the Vestry.
- 2.9 At the annual congregational meeting held on the first Sunday in October, provides a written report on the state of the Parish. While the Senior Warden is free to structure this report as he or she sees fit, the following may be important subjects to address:
- (a) The financial condition of the Parish;
- (b) The material condition of the buildings and grounds;
- (c) Membership demographics and important trends;
- (d) Significant accomplishments in the past year and challenges facing the parish; and
- (e) The overall state of Holy Trinity Church
- 2.10 Obtaining input from fellow Vestry members on important matters to review with the congregation and/or the Rector.
- 2.11 Shall be in touch with a broad range of Parish opinion.

3. The Junior Warden

- 3.1 The Junior Warden represents both wardens in the Senior Warden's absence, Additionally and traditionally, the Junior Warden is charged with maintaining the parish campus and should be someone able and willing to engage in all matters affecting the short-term and long-term care of the exterior and interior spaces of buildings and the church grounds. The Junior Rector's specific duties are set out in the following subsections.
- 3.2 Overseeing the physical plant of the church buildings and grounds. This includes, but is not limited to:
- 3.3 The upkeep and operation of the church's heating plant and air conditioning system (maintaining a list of repairmen for each system and contacting them as necessary as well as following through on their work.)
- 3.4 The capital improvements (painting, gutter work, etc.,) as well as all repairs and general maintenance.
- 3.5 The inspection of all on-site property on a quarterly basis, including all buildings.
- 3.6 The handling of any continuing "nuisance" problems, such as replacing burned-out light bulbs, repairing leaky faucets, and ensuring the general cleanliness of the church property and buildings.
- 3.7 Coordinating with the Parish Administrator to oversee and supervise the work of the sexton(s).
- 3.8 Coordinating with the Parish Administrator to ensure that the seasonal jobs of lawn mowing, fertilizing, leaf removal, and snow removal.
- 3.9 Chairing the Physical Properties Commission.

- 3.10 Overseeing work orders and processes.
- 3.11 Requesting all the assistance needed from the Physical Properties Commission, other Vestry members, and members of the congregation to accomplish these duties.
- 3.12 Approving expenditures of maintenance or repair items costing less than \$5,000.00.

4. The Secretary.

- 4.1 The Secretary records the proceedings of the and thereby creates and maintains the institutional memory required for sustained and effective administration of the parish. The Secretary's specific duties are set out in the following subsections.
- 4.2 Taking minutes of all regular and special Vestry meetings and distributing them in advance of the following meeting.
- 4.3 Taking care of all Vestry correspondence.
- 4.4 Seeing that all Vestry records are properly maintained.
- 4.5 Signing documents required by the diocese.
- 4.6 Posting parish notices regarding the annual meeting or other meetings requiring a parish role.

5. The Treasurer

5.1 The Treasurer is elected by the Vestry and need not be a Vestry member. The Treasurer does not control Parish finances but is a steward who serves under the direction of the Vestry. The Treasurer's specific duties are set out in the following subsections.

- 5.2 Ensuring the proper handling of Sunday offerings and all other receipts.
- 5.3 Ensuring that GAAP is followed.
- 5.4 Seeing that all contributions are properly recorded and acknowledged at least annually.
- 5.5 Seeing that all bills are paid in a timely fashion and proper records are maintained.
- 5.6 Providing monthly financial reports to the Vestry.
- 5.7 Arranging for an annual audit of parish financial records.
- 5.8 Ensuring that all financial decisions are made using the highest ethical standards with the goal of preventing conflicts of interest and self-dealing.
- 5.9 Organizing the documentation of Designated Funds and ensures that Designated Funds are only used for their stated purposes and in accordance with the documentation governing such Designated Funds.
- 5.10 Submitting new Designated Funds for approval to the Vestry.
- 5.11 Providing an annual financial report for the parish meeting.
- 5.12 Convening and chairing the Business Finance Commission.
- 5.13 Seeing that the required financial section of the parochial report to the Diocese is completed, signed, and sent in by the proper date.

C. Continuity: Meeting of Outgoing and Incoming Officers

Prior to the first Vestry meeting each year, the incoming officers shall meet with the outgoing officers holding the same titles for the purpose of ensuring a smooth transition and discussion of responsibility. Incoming Vestry members will

attend an orientation session with the Rector. Vestry members will attend an annual Vestry retreat.

IX. ONGOING CLERGY-VESTRY RELATIONSHIP

A. Overview

The Vestry is the sole representative of the congregation in its relationship with the clergy of the church. The congregation does not vote on matters involving the clergy of the church.

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.

B. 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. The best working model for Vestry and Rector is the collaborative one.

C. Rector Tenure

The Rector is called to a church by the Vestry with the consent of the Bishop. The pastoral relationship may not be dissolved without the tri-party consent of the Vestry and the Rector and the Bishop. The congregation may neither hire nor fire a Rector. When the 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. 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.

D. Parish Staff

Associate clergy and all parish staff are hired by and serve at the pleasure of the Rector. The Rector may appoint a nominating committee or design another process in which others are involved in the selection of assisting clergy and staff. Clergy and lay staff are ultimately accountable to the Rector.

E. Clergy Compensation

(1) Compensation:

A compensation package is negotiated at the time of the call of the Rector and all other clergy and staff. In the Diocese of North Carolina, canon law requires that any full-time cleric be paid at least the minimum salary of a transitional deacon. Compensation includes the stipend and housing allowance. One-half of the cleric's self-employment taxes, travel/auto allowance, pension assessments, major medical insurance, and dental insurance are also provided. By canon law this compensation must be paid in the amount agreed upon and on the date agreed upon. Neither the Vestry nor the treasurer may withhold the compensation of a cleric. Any consideration of a downward compensation or benefits adjustment is a matter of grave import to be discussed with the Bishop and chancellors.

(2) 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 Diocesan Manual of Business Methods.

Although most clergy now own their own homes, there may be some advantages to the church 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.

(3) SECA:

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

(4) Pension:

The church is required to pay into the Church Pension Fund an amount equal to 18% of the cleric's 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.

(5) Continuing Education:

It is expected that every cleric in the Diocese of North Carolina 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. The Vestry should encourage clergy to take full advantage of continuing education.

(6) 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. Planning is essential. Clergy should discuss their sabbatical plans with the Bishop and the Vestry.

(7) 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. The "Letters of Agreement" are provided by the diocese and require the approval of the Bishop.

(8) Vacation:

The current provision for paid vacation/leave for clergy is:

- (a) Four (4) weeks of annual vacation, consisting of four 7-day weeks and three (3) additional Sundays. No more than 5 days and one Sunday may be carried forward to the succeeding year.
- (b) Two (2) weeks per year of service in this parish for sabbatical leave, to be available after the third year of service, and cumulative through the sixth year. Sabbatical arrangements shall be made in full consultation with the Vestry, to ensure benefits for the parish as well as for the Rector. Accrued but untaken sabbatical leave at the end of the Rector's employment shall be forfeited, and no cash equivalent shall be owed by the parish.

F. Conflict

If, in the opinion of the Vestry, a Rector is not performing well or if there is continuing conflict between the Rector and a faction of the church, 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, however, the Vestry may meet informally without the Rector to discuss the conflict as permitted hereunder. If the Vestry is not able to resolve the conflict on its own, Wardens should contact the Bishop's office following this conversation. The Bishop and/or the Bishop's staff shall meet with the Vestry and work towards resolution.

G. Clergy Discipline/Title IV

- (1) 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.
- (2) Under the Title IV of the 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.
- (3) 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.
- (4) 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.
- (5) 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.

X. CALLING A NEW RECTOR

A. The Search Process

When a Rector resigns, the Bishop or an officer from the "Office of

Transition Ministry" (OTM) will meet with the Vestry to outline the search process in detail. The Bishop or OTM officer will meet with the Vestry and assist them in securing the services of a consultant and an interim rector, as well as in selecting and appointing a search 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 church, and the departure of the previous incumbent. The search will likely be a traditional search with full profile preparation, a national advertisement, and consideration and screening of all interested candidates. The OTM Officer will be the primary support and contact person for the church. The consultant and interim rector are extensions of the Bishop's pastoral office as well.

There will likely be a long interim period. The value of the interim period is not just to provide time to search for a new Rector but to allow the new Rector to come in after a "breathing space" and following an interim Rector rather than a long term predecessor.

B. Search Committee

The search committee is formed by the Vestry and reports to the Vestry. Its members should represent a cross section of the church and might also be chosen specifically to carry our particular assignments. Members of the Vestry may serve on the search committee but should constitute no more than one-fourth of the committee.

C. Interim Rector

An interim rector is a priest who has responsibility for the worship, pastoral care, education and leadership in the church during a transition. An Interim is chosen by the Vestry 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 church where s/he serves. On rare occasions, 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.

D. Consultant

The use of a consultant, approved or recommended by the Bishop, is a norm. The consultant is used to train the church in maintaining objectivity and following guidelines. The consultant is included early in the establishment of the search 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.

E. Self-Study/Parish Profile/Candidate Profile

One of the first tasks of the search committee or a sub-committee thereof is to conduct a self-study and assemble a "parish profile." This will include demographic information about the parish and the surrounding community as well as an assessment of the parish characteristics and priorities, such as whether the parish most values preaching, music, Christian education or outreach. Parishioners may assume they know the answers but a detailed self-study is crucial. The results should be published on the parish website for the benefit of the parish but also for potential candidates interested in the Rector position.

The clarification of parish characteristics and priorities will provide guidance to the search committee in producing a "candidate profile" identifying the particular skills and temperament/personality needed in a new Rector. The OTM will provide forms for the search committee to complete reflecting this candidate profile. With this information the OTM will provide the search committee with resumes or profiles of potential clergy who seem to be a good fit for the position.

F. Evaluation of Candidates/Interviews and Visits

The search committee should determine from the outset the information they would like to have from each candidate. This will typically include the OTM profile, which might include a resume and references as well as links to a candidate's preaching on the web and other personal reflections of the candidate's ministry. With guidance from the OTM or a consultant, the committee will begin to narrow down the list of potential candidates and establish a preliminary ranking for the purpose of scheduling phone interviews or visits. The Bishop's approval is needed before beginning to schedule interviews and visits.

G. Decision and Implementation

Upon the completion of interviews and visits, the search committee will make a recommendation to the Vestry. The Vestry will then vote on whether to call the recommended candidate. It is crucial during this stage for both the search committee and the Vestry to revisit the self-study and candidate profile and to evaluate how the candidate meets the criteria established at the outset. It is important that decisions be made on the basis of the identified skills desired and not personality alone. Prayer for guidance is crucial during this stage. Once a decision is made and the Bishop and the candidate are notified, if both are agreed then the Vestry can move on to negotiate compensation terms and moving arrangements.

APPENDIX

Comments to Section VII. P. Doing Business with a Member of The Parish:

The Church will often pay someone or allow volunteers to perform relatively small jobs that do not have significant consequences if not done well (such as cleaning gutters, washing windows, or repairing a leaky faucet). This policy is not concerned with those jobs. It is concerned with larger, more important goods and services that can be the source of conflict when the scope, quality, price, materials, or changes are not clearly articulated at the beginning. It is important that the Vestry enter into agreements for these types of goods and services in a manner that will head off comments such as, "I didn't know he was being paid for that; I thought it was his contribution to the church." "Why did he use that cheap material?" "Why did he use that expensive material?" "Who chose that awful color?" "I had no idea it was going to cost us this much!" "This work is lousy, but there's nothing we can do about it without hurting his feelings."

It is not uncommon that the parish will need goods or services described above that a member of the Vestry or the congregation wants to provide. Because of the potential impact on the relationships involved, in an ideal world, the parish will not contract with members. In the real world, however, members may volunteer to give a discount price or to offer other incentives that are hard to resist, or the parish simply wants to give one of its members the work.

Entering into an agreement for goods and services with a parishioner is not prohibited, but mixing the relationship of parishioner and vendor can lead to poor business practices, misunderstandings, and hurt feelings. To avoid this, such transactions should be handled with caution and transparency. The intent is most definitely not to indicate that any party is untrustworthy. The point is to avoid misunderstandings and hurt feelings by ensuring that all terms are understood up front and that no one, even unintentionally, exerts "undue influence" on the Vestry.

Mixing business and church membership is a complicated undertaking. These guidelines exist as the result of unfortunate instances in which relationships have been damaged because business transactions with parishioners have been viewed in personal terms. That is certainly understandable, but to avoid that situation, it is important for any parishioner or Vestry member to know from the beginning that:

It is highly inappropriate for anyone, Vestry member or parishioner, to make acceptance or rejection of such an agreement "personal" or to resist implementing these policies on the grounds that they show a "lack of trust" or "ingratitude." Such an attitude merely points out why these measures are needed, and would be grounds for not approving the contract. If someone makes the inception of the agreement personal, it is unlikely that the parties will get through performance of the agreement without it becoming personal and damaging the relationship.

The Handbook provisions for doing business with a member of the parish apply to everyone. No one is being singled out.



Sursum corda.