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EPISCOPAL DIOCESE OF MASSACHUSETTS

Rector's and Congregation's Covenant of Ministry

This Covenant of Ministry is intended to be negotiated after the Vestry has extended the initial call to the Rector and it should be reviewed annually. Negotiations will be facilitated by the Office of Transition Ministry. The model contains recommended provisions that may be varied according to the particular facts and circumstances. For a part-time Rector, the various sections should be prorated on the basis of a fraction (or percentage), e.g., half-time, three quarters time, etc. Consult the current Diocesan Guidelines for Compensations and Benefits.

Rector's and Congregation's Covenant of Ministry

BETWEEN

The Rev. _____ and The Vestry of _____ Church, _____, Massachusetts, which has elected [him/her] to be Rector with the understanding that [his/her] rectorship shall continue until dissolved by mutual consent and affirmed by the Bishop or by arbitration and decision as provided by Title III, Canon 9 or Title IV of the Episcopal Church.

The relationship between a Rector and a Vestry is unique, and it evolves within a larger covenant of mutual trust and ministry to each other. The purpose of this Covenant of Ministry is to strengthen that relationship by clarifying some of the practical arrangements and to reduce later misunderstandings.

Section A – COMPENSATION

1. The Rector's salary will be \$ _____ per annum commencing on or about _____. It will be reviewed annually.

The parties agree that the Rector's Total Clergy Compensation ("TCC") will equal \$ _____, including the amount of the Housing Allowance, if applicable, and _____.¹

2. Housing²

¹ Specify other compensation received by the Rector that may be considered part of TCC. Consult the current Diocesan Guidelines for Compensation and Benefits.

² The model contains two options relative to housing. "Option A" applies to those situations where the Rector will not live in a Rectory. "Option B" applies to those situations where the Rector will live in a church-provided Rectory.

[Option A - Rector will not live in a Rectory]

The Vestry agrees to adopt annually the necessary resolution required by the Internal Revenue Service designating that portion of the TCC shown above as a Housing Allowance within the meaning of Section 1.107 of the IRS Code.³

[Option B - Rector will be living in a Rectory]

The Rector and [his/her] family will live in the church-owned Rectory. The Vestry will be responsible for the following expenses:

- (a) Insurance (and property taxes, if any) on the property;
- (b) Maintenance or replacement of the following appliances:
[Specify, such as refrigerator, dishwasher, etc.];
- (c) Maintenance of the structure(s), renovations or capital improvements;
- (d) [Specify other responsibilities, such as snow and leaf removal, etc.].

The Rector and [his/her] family are responsible for good stewardship in regard to the care of the Rectory and will remain responsible for the general care and upkeep such as [specify particular responsibilities].⁴

The Rector is expected to present an annual report to the Vestry on the condition of the Rectory, with particular attention to items requiring maintenance.

The Vestry agrees to adopt annually the necessary resolution required by the Internal Revenue Service designating that portion of the TCC shown above as a Housing Allowance within the meaning of Section 1.107 of the IRS Code.

3. [Optional] Other Compensation: [Specify, e.g., SECA allowance, equity allowance, etc.].⁵

Section B – PREMIUMS

1. The Vestry will pay the following premiums as required:

- (a) Pension premiums as required by the Church Pension Group based on the Rector's TCC;

³ The amount of the TCC designated as a Housing Allowance should be the lesser of (1) the fair rental value for the housing: including furnishings and appurtenances (such as garage) and utilities or (2) the amount the Rector expects to spend on housing.

⁴ The specific responsibilities of the Vestry and Rector will depend on the particular facts and circumstances.

Once these are determined, they should be delineated with as much specificity as possible.

⁵ Since a Rector while living in a church-provided Rectory will not build any equity in a home, a number of Vestries have agreed to fund an equity allowance through contributions to a tax sheltered 403(b) plan. Such other compensation is includable as TCC.

- (b) The cost of Health Insurance premiums [specify whether individual or family coverage, which includes domestic partners, where applicable] according to the percentage prescribed by diocesan policy.
2. The Vestry will provide the following additional benefits [specify other benefits, e.g., dental, other insurance, life insurance for clergy not eligible for pension, etc. and allocation of premiums].
 3. In the event of a total and permanent disability of the Rector, or in the case of the death of the Rector, the following agreements apply:
 - (a) Regarding housing: _____ month(s) in Rectory or _____ month(s) Housing Allowance, to be negotiated by the Vestry and the Rector, or Rector's spouse or other designee.
 - (b) Regarding compensation (in the event of permanent disability of the Rector); _____ month(s) salary per year of service, up to a maximum of _____ month(s).

Section C – EXPENSES

The Vestry agrees to pay for the following expenses incurred by the Rector in fulfilling [his/her] professional duties:

1. **Moving**: The cost of moving the Rector's family and household goods when the initial call has been accepted.
2. **Travel**: The Vestry agrees to provide the Rector with _____⁶

[Option A: reimbursement for all church-related automobile travel at the current rate established by the IRS.]

[Option B: a travel allowance of \$_____ per year adjusted annually and included in the annual budget for all church-related automobile travel.]

[Option C: an automobile for purposes of church-related travel upon such terms as the Vestry and the Rector shall determine.]
3. **Communications**: To provide for a computer/laptop/pad, internet connection and a telephone in the Rector's office and a cell phone if needed. All postage for church business will be included in the parish budget.
4. **Office**: All necessary office furniture, equipment and supplies (computer, lap top, pad, etc.) will be paid by the parish, the amount to be established in the annual budget.
5. **Discretionary Fund**: A fund will be provided for charities and expenditures at the discretion of the Rector in accordance with the Diocesan Guidelines for Clergy Discretionary Funds, the amount to be established in the annual budget.

⁶ Specify whether the Rector will receive (1) travel reimbursement and, if so, at IRS rate, (2) an annual allowance or (3) an automobile. In any case, the Rector will submit the expense reimbursement form. Note IRS mileage reimbursement in 2013 is \$.565/mile

6. Guests and Hospitality: The Rector will be reimbursed for the reasonable costs of hospitality and entertainment on behalf of the parish, the amount to be established in the annual budget.
7. Professional Fees: Dues of the Rector to the Massachusetts Episcopal Clergy Association and other professional associations, the cost of the annual Clergy Conference with the bishops, and the cost of professional periodicals, the amount to be established in the annual budget.
8. Continuing Education: The amount of \$_____ annually to support the Rector's continuing education and will be established in the annual budget. The Rector is expected to make an annual report to the Vestry and/or parish on his continuing education work.
9. The cost of pulpit supply and pastoral services: when the Rector is absent from the parish; the amount to be established in the annual budget.

Section D - LEAVE TIME⁷

The Vestry agrees that the Rector shall have the following periods of leave at full pay:

1. _____ month(s) of vacation per year, including Sundays, plus[_____].⁸
2. _____ weeks per year (in addition to vacation time) for continuing education and career development.
3. **Sabbatical Leave**: The Priest is eligible for 3 months of sabbatical leave for every 5 years of parish ministry, for the purpose of renewal, study, travel, and continued spiritual growth.
[Congregations may wish to adapt this time frame to fit their needs, or the needs of their clergy. For example, a Priest may wish to have a longer leave after a longer number of years of service, or may wish to have shorter leaves after fewer years.] An amount of \$_____ per annum will be deposited in an account established for sabbatical preparedness.

Applications for diocesan support from the bishop's Clergy Sabbatical Program can be obtained from the Chair of the Sabbatical Committee. Application materials are also available for download from the web: <http://www.diomass.org/content/clergy-sabbatical-program>.

Planning for the Priest's sabbatical shall begin at least nine months prior to the first day of the leave. The Priest and Vestry shall agree to the form this planning shall take. Both the Priest and Vestry will participate in this planning, which shall include financial and activity information about the sabbatical, provision for congregational life and continuity, and clergy support during the Priest's absence.

4. [Specify other leaves.]⁹

⁷ Currently, one month of vacation per year and one week of continuing education/career development per year are the recommended minimum. Additional time off for clergy retreat is strongly encouraged.

⁸ Specify additional leave, e.g., amount of time after Christmas, amount of time after Easter and amount of other time as agreed upon with the Vestry.

⁹ Other such leave may include parental leave in the event of childbirth or adoption. Consult current Diocesan Guidelines for Compensation and Benefits.

Section E - SUPPLEMENTARY COMPENSATION

The disposition of wedding, funeral and other fees will be determined in conjunction with the Vestry and may be used to fund the Discretionary Fund.

The following understanding has been reached between the Rector and the Vestry concerning the income the Rector may receive performing [specify].

Section F - USE OF BUILDINGS

In addition to his/her use and administration of parish buildings for the discharge of his/her duties, the Rector shall have the right to grant use of the buildings to individuals or groups from outside the parish under general conditions to be determined in conjunction with the Vestry.

Section G - REGULAR PARISH GOAL SETTING

- a) Meeting between the Rector and the Wardens are required at least twice a month with encouragement to meet more often in periods and under circumstances where extra meetings would be helpful.
- b) The Rector and Vestry will review the mutual ministry of the parish, vestry, and clergy on or about _____ (in no event more than one (1) year) from the Rector's assumption of his/her duties on the basis of goals and expectations set at the time of the call of the new Rector. These initial goals and expectations are to be included in the Covenant of Ministry document and will be forwarded to the Bishop through the Office of Transition Ministry to be reviewed and signed by the Bishop. Subsequently, periodic reviews (every year or two years) will be scheduled. These reviews for the purpose of goal-setting will cover the following items:
 1. What are the mission and goals of the parish as presently understood?
 2. What are the roles and tasks of the parish leaders (Rector, Vestry members, and others) in accomplishing the goals?
 3. How well have the previously set goals been met?
 4. What goals and expectations will be set for the next period in the life of the parish?
- c) The Rector is expected and encouraged to participate in regional, diocesan and Episcopal Church responsibilities as well as community endeavors. Further, time given to such work shall be understood as an integral part of the Rector's ministry in the parish.

Finally, this Covenant of Ministry will be revised as desired with the mutual consent of Rector and Vestry, and at any rate it shall be reviewed and revised no later than _____. The Bishop will review and sign the revised Covenant of Ministry.

Section H—TRANSITION REVIEW

The Rector was shown and is fully aware of the content of the Transition Review Report performed by _____ before the call was extended to him/her.

Section I – STATEMENT OF NON-DISCRIMINATION

In accordance with diocesan and Episcopal Church principles, this congregation will not discriminate on grounds of age, race, gender, sexual orientation, marital status, or disability.¹⁰

PARISH SIGNATURES

Date: _____ Rector: _____

Approved by the Vestry on (date): _____

Warden: _____

Warden _____

Clerk _____

Reviewed by the Office of Transition Ministry

Date: _____

By: _____

BISHOP’S SIGNATURE

Reviewed by the Bishop:

Date: _____

Bishop: _____

¹⁰ Since its 2001 Report to Convention, the Compensation and Benefits Committee has included this option to reflect the concerns of both the Diocese of Massachusetts and Episcopal Church as reflected in a variety of resolutions presented in their respective conventions.