

SAMPLE LETTER OF AGREEMENT BETWEEN THE PRIEST IN CHARGE AND THE CHURCH

This Letter of Agreement is between the Wardens and Vestry/Bishop's Committee of _____ Church [hereafter, "the Church"] and The Reverend _____, who has been appointed Priest in Charge, reviewable after one year and renewable thereafter, as provided by the relevant policies and procedures of the Episcopal Church in Minnesota and the Canons of it and the Episcopal Church.

Scope of Work and Responsibilities

(please add points)

Time of Work and Leave

Work Week:

The Priest's ministry includes not only activities directed to the parish and its well-being, but also in the Episcopal Church in Minnesota and the community. The Priest shall participate in the councils of the Church, including Episcopal Church in Minnesota activities such as Clergy Conferences, Convention, etc. The Priest is strongly encouraged to participate in a clergy support group or spiritual direction monthly.

The Priest's weekly leave shall comply with Episcopal Church in Minnesota policy. It is normal for the Priest to preserve at least one continuous 24-hour period each week solely for personal use. In order to maintain the standard of a learned professional, one day per week shall be set aside for the Priest's study, reading, and educational pursuits, in addition to the personal weekly leave.

Periods of Leave at Full Pay:

- National holidays, to be taken so as not to interfere with worship for major feasts.
- All federal legal holidays. When those days conflict with major feast days, alternate days off shall be selected.
- Annual vacation: 1 month, which shall include at least four Sundays and not more than five; vacation time may be used over several shorter periods that together do not exceed 1 month. The Priest must notify the Vestry/Bishop's Committee 2 months prior to intended leave time.
- Continuing education leave: 2 weeks each year. The Priest must notify the Vestry/Bishop's Committee 2 months prior to the intended leave time.

- Sabbatical: 4 months at full pay following completion of each 6 years of service in the Church. This is exclusive of annual vacation.
- Sick, personal, and bereavement leave: as necessary, in consultation with the Wardens; accumulates at the rate of 1 day per month of service, to a maximum of 60 days.

Periods of Leave Without Pay

- Unpaid leave: The Priest may petition to the Vestry/Bishop’s Committee for an unpaid leave of absence of up to 6 months.
- Family leave: The Priest is eligible for 6 weeks of unpaid family leave per year.
- Military service or jury duty: The Priest shall be granted leave for military service or jury duty as required by law and in consultation with the Wardens.

Compensation

Cash Stipend:

The Priest shall receive an annual cash stipend of \$_____, a portion of which is allocated to a housing allowance, if applicable. The stipend will be reviewed and adjusted annually based on Episcopal Church in Minnesota minimum clergy compensation and cost-of-living adjustment set by the Council, the Priest’s years of service as a priest, merit pay and other criteria mutually agreed upon by the Priest and the Wardens and Vestry/Bishop’s Committee.

The Priest, Wardens, one Vestry/Bishop’s Committee person, and one non-Vestry/Bishop’s Committee parishioner will conduct the annual Compensation Review in September, to be brought as a recommendation to the Vestry/Bishop’s Committee at its October meeting.

The Priest shall receive Self-Employment Tax Allowance in an amount equal to 7.65% of the estimated Self-Employment Tax resulting from the terms of this agreement.

Housing Allowance:

A portion of the annual cash stipend will be allocated to a housing allowance. Each Priest’s housing allowance is determined by the Vestry/Bishop’s Committee, in consideration of the amount requested by the Priest. The Vestry/Bishop’s Committee will establish the amount of the allowance prior to the beginning of the year by formal resolution, documented in writing.

Benefits

The following employment-related benefits will be provided to the Priest at the Church's expense:

- Pension through the Church Pension Fund
- Health and hospitalization insurance
- Life insurance
- Dental insurance
- Disability insurance (available through the Church Pension Group or can be purchased through any qualified insurance agent)
- Workers' compensation insurance as required by state law

Reimbursement of Expenses

Upon receipt of appropriate supporting documentation, the Parish shall pay the following expenses, not to exceed \$ _____, incurred by the Priest in fulfilling the duties of office:

- Reimbursement of non-commuting automobile expenses at current IRS rate
- Reimbursement of expenses for hospitality, memberships, continuing education, clergy conferences, diocesan convention, and other expenses required or expected for church-related business

Discretionary Fund

In accordance with the Canons of the General Convention, a Discretionary Fund is to be established in the name of the parish, under the Vestry/Bishop's Committee's control. The Priest will have the authority to disburse funds in accordance with the discretionary fund policy of the parish. The activities of this fund will be reviewed periodically by a subcommittee of the Vestry/Bishop's Committee, the members of which are approved by the Priest. The discretionary fund will be included in the annual audit of the parish.

[Issues still needing to be addressed: amount to be added; how funded]

Supplementary Compensation

The Priest shall not charge fees but may receive honorariums for performing any rites of the Church (e.g., baptisms, marriages, and funerals) for members of the Church. The Priest may receive income from other sources not related to the Church.

Use of Buildings

In addition to use and control of the church buildings for the discharge of the duties of the Priest's office, as provided by Canon, the Priest shall have the right to grant use of the buildings to individuals or groups from outside the parish, following guidelines approved by the Vestry/Bishop's Committee.

Mutual Ministry Review

There shall be annual discussion and mutual review of the Priest's ministry in order to:

1. Provide the Priest, Wardens, and Vestry/Bishop's Committee opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share.
2. Establish goals for the ministry of the parish for the coming year.
3. Isolate areas of conflict or disappointment that have not received adequate attention and may be adversely affecting mutual ministry.
4. Clarify expectation of all parties to help put any future conflicts in manageable forms.

A mutually agreed-upon third party might be engaged to facilitate the ministry review process. The ministry review shall be held each year at the end of the activity year, in June or July.

Revision

This Letter may be revised only by mutual, written agreement of the Priest, Wardens and Vestry/Bishop's Committee, with final approval of the Bishop.

Other Agreements

This Letter of Agreement shall be made part of the minutes of the next Vestry/Bishop's Committee meeting following its signing, and copies made available to each Vestry/Bishop's Committee member. If the Priest and Wardens are in disagreement concerning this Letter of Agreement, either party may appeal to the Bishop for mediation.

I/We have read and hereby agree to the terms and conditions of this Letter of Agreement.

The Rev. [Name], Priest

Date Signed

[Name], Senior Warden
[Name of Parish]

Date Signed

* * * *

I hereby acknowledge receipt of this Letter of Agreement between the Rev. [Name] and [Name of Parish].

The Rt. Rev. Craig W. Loya
X Bishop of Minnesota

Date Signed Copy Received by Bishop