

A COVENANT

between the Wardens and Vestry of
CONGREGATIONNAME Episcopal Church, CITY, Wisconsin,
a congregation of the Diocese of Fond du Lac and the Rev. CLERICNAME

The Rev. **CLERICNAME** has been elected RECTORORVICAR by the Vestry of **CONGREGATIONNAME Episcopal Church**. The Bishop of Fond du Lac has found the Rev. **CLERICNAME** to be a duly qualified Priest of the Episcopal Church and concurred with such election. The Rev. **CLERICNAME** has accepted the elected office. This Covenant is evidence of the relationship entered between Priest, Congregation and Bishop. It sets forth mutual responsibilities of the relationship whose purpose is to pursue the mission of the Church: to restore all people to unity with God and each other in Christ. The mission is pursued through prayer and worship, by proclaiming the Gospel, and by promoting justice, peace and love.¹

SECTION A – Duties and Responsibilities of the RECTORORVICAR

The duties and responsibilities of a Priest are defined in the Ordinal as presented in the Episcopal Church *Book of Common Prayer*², the Constitution and Canons of the Episcopal Church³, the Constitution and Canons of the Diocese of Fond du Lac and the Tradition of the Church. In addition to fulfilling these duties and responsibilities, additional duties and responsibilities to be observed are:

1. **Supervise and Support.** Provide supervision and support to employees and volunteers of the Congregation who perform work on its behalf (for example, church secretary, organist, or sexton).
2. **Abuse Prevention.** Conform to the diocesan *Safe Church Abuse Prevention Policy and Procedure Manual*.
3. **Workload.** Monitor workload including, for example, officiating at services, making pastoral calls, preparing sermons, attending congregational and diocesan meetings, and holding office hours. The priest endeavors to maintain an average of **X [12 is full-time norm]** dayparts each week,⁴ recognizing that at times, ministry demands may result in a workload greater than this number of dayparts.
4. **Time Off.** Take a continuous twenty-four (24) period off regularly each week. The determination of the day off is made in consultation with Congregational leaders.

SECTION B – Duties and Responsibilities of the Congregation

The duties and responsibilities of a Congregation are defined in the Catechism as presented in the Episcopal Church *Book of Common Prayer*⁵, the Constitution and Canons of the Episcopal Church⁶, the Constitution and Canons of the Diocese of Fond du Lac and the Tradition of the Church. In addition to fulfilling these duties and responsibilities, additional duties and responsibilities to be observed are:

1. **Participate and Support.** Participate in the life of the Church, supporting the ministry of its clergy.
2. **Stewardship.** Act as good stewards of the Church in offering time, talent and treasure.
3. **Abuse Prevention.** Conform to the diocesan *Safe Church Abuse Prevention Policy and Procedure Manual*.
4. **Operations.** Provide for regular operational expense, including church office operation (equipment, supplies, phone, postage, etc...), worship materials (vestments, service books, hosts and wine, etc...), operational facility expenses (utilities, maintenance expense, etc...) and support staffing (church secretary, sexton, etc... whether employees or volunteers).

¹ Episcopal Book of Common Prayer, (1979), pp. 854.

² BCP (1979), pp. 524–535.

³ Title III Canon 9: Of the Life and Work of Priests, Episcopal Church Constitution and Canons (2015).

⁴ A daypart is a block of time of approximately 3-5 hours, corresponding to morning, afternoon and evening. Using dayparts is not keeping a timesheet, but a less formal way to monitor workload. Monitoring attempts to work within desirable boundaries and avoid undue stress that can lead to burnout. A priest may choose to document dayparts in a simple log or reflect on how many dayparts were ‘worked’ each week.

⁵ BCP (1979), pp. 845-862

⁶ Title I: Organization and Administration, Episcopal Church Constitution and Canons (2015).

SECTION C – Duties and Responsibilities of the Bishop

The duties and responsibilities of a Bishop are defined in the Ordinal as presented in the Episcopal Church *Book of Common Prayer*⁷ (pp. 510-523), the Constitution and Canons of the Episcopal Church⁸, the Constitution and Canons of the Diocese of Fond du Lac and the Tradition of the Church. In addition to fulfilling these duties and responsibilities, additional duties and responsibilities to be observed are:

1. **Support and Guide.** Support clergy and laity in the life of the Church, providing guidance when warranted.
2. **Abuse Prevention.** Conform to the diocesan *Safe Church Abuse Prevention Policy and Procedure Manual*.
3. **Accessibility.** Be reasonably available for communication with clergy and laity, meeting with them, when necessary.

SECTION D – Compensation of the RECTORORVICAR by the Congregation⁹

The Congregation provides for the livelihood of the Priest through compensation of a cash stipend and housing. The compensation will be reviewed in the last quarter of each year to determine adjustments.

1. **Cash Stipend.** The Congregation will pay the Priest on a **TIMEPERIOD** basis, conforming to the diocesan *Clergy Minimum Compensation Schedule*. The Priest may enter a voluntary agreement with the Congregation for tax withholding¹⁰. The Congregation may, from time to time, provide additional cash compensation (for example, a Christmas bonus) by Vestry resolution. At the time of endorsement of this Covenant, the annual Cash Stipend is **\$XX,XXX**.
2. **Housing.**
[\[remove the first or second sentence based on housing situation\]](#)
The Congregation will provide housing to the Priest through a Vestry resolution designating a portion of the Cash Stipend as housing allowance for qualified expenses, as allowed by law.
The Congregation will provide housing to the Priest in the form of a physical dwelling **[DESCRIBE BY ADDRESS OR OTHER]**, by payment to vendors of utilities related to the dwelling, and for capital maintenance that may be necessary from time to time. The Vestry may, by resolution, designate a portion of the Cash Stipend as housing allowance for qualified expenses, as allowed by law.
3. **Supplemental Income.** The Priest will not charge fees for performing rites of the Church (for example, baptisms, marriages, funerals) for members of the Congregation. The Priest may receive unsolicited gifts from members of the Congregation or honoraria for professional services performed on personal time outside of the Congregation.

SECTION E – Benefits to the RECTORORVICAR by the Congregation

1. **Pension.** The Congregation will pay a pension assessment to the Church Pension Fund who will bill the Congregation after it submits required information.
2. **Medical and Dental Insurance.** The Congregation will provide Medical and Dental Insurance conforming to the diocesan *Health Insurance Policy*.
3. **Group Term Life & Accidental Death and Disability Insurance.** The Congregation will provide Group Term Life & ADD Insurance conforming to the diocesan *Clergy Minimum Compensation Schedule*.
4. **Vacation Leave.** The Congregation will provide for **X [4 is full-time norm]** weeks each year of Vacation Leave with normal compensation and benefits. Such leave will include four Sundays, does not accrue from year to year and renews on January 1. Arrangements will be made by the Priest in consultation with Congregational leaders to avoid being absent on major occasions of the Congregation (for example, the church picnic).

⁷ BCP (1979), pp. 510-523.

⁸ Title III, CANON 12: Of the Life and Work of a Bishop, Episcopal Church Constitution and Canons (2015).

⁹ Clergy hold a dual tax status being employees for income tax purposes and self-employed for Social Security and Medicare purposes. Voluntary withholding is done by submitting Form W-4 to the Congregation. A cleric or congregation not familiar with the complexities related to this dual tax status are encouraged to contact the Diocesan Office for additional information and assistance.

¹⁰ Federal law exempts churches from mandatory tax withholding for clergy.

5. **Federal Holidays.** The Congregation will provide for leave on Federal Holidays at normal compensation and benefits when such leave does not interfere with worship on major occasions (for example, Christmas).
6. **Continuing Education Leave.** The Congregation will provide for 1 week each year of Continuing Education Leave at normal compensation. Such leave may include one Sunday, does not accrue from year to year and renews on January 1. Arrangements will be made by the Priest in consultation with Congregational leaders to avoid being absent from worship on major occasions (for example, Holy Week).
7. **Continuing Education Allowance.** The Congregation will provide a Continuing Education Allowance conforming to current diocesan *Financial Policies for Congregations*. At the beginning of this Covenant, the allowance is up to \$ X,XXX [1,000 is FT norm] each year.
8. ~~[remove if NOT church provided housing]~~ **Housing Equity Allowance.** The Congregation will provide a Housing Equity Allowance conforming to the diocesan *Clergy Minimum Compensation Schedule*.
9. **Maternity and Paternity Leave.** The Congregation will provide for leave conforming to the diocesan *Maternity and Paternity Leave Policy*. The Vestry may, by resolution, enhance the benefit or extend the time of such leave.
10. **Sabbatical Leave.** The Congregation will provide for leave conforming to the diocesan *Sabbatical Guidelines*. The Vestry may, by resolution, enhance the benefit or extend the time of such leave.

SECTION F – Additional Matters

1. **Travel Allowance.** The Congregation will provide a Travel Allowance conforming to the diocesan *Financial Policies for Congregations*. At the time of endorsement of this Covenant, the allowance is up to \$ X,XXX [3,600 is full-time norm] each year.
2. **Phone.** The Congregation will provide a phone to the Priest to insure accessibility in case of emergencies. Payment may be made directly to a vendor or to the Priest on a reimbursable basis¹¹.
3. **Diocesan Service Leave.** The Congregation will provide for up to X [2 is Full-time norm] Sundays each year of Diocesan Service Leave at normal compensation and benefits. The purpose is to provide service to a diocesan ministry (for example, Cursillo or Happening) or diocesan project endorsed by the Bishop (for example, a training event or serving as a representative of the Bishop). Leave does not accrue from year to year and renews on January 1. Arrangements will be made by the Priest in consultation with the Congregational leaders to avoid being absent from worship on major occasions (for example, Pentecost).
4. **Use of Buildings.** In accordance with Episcopal Canon¹², the Priest has the right to grant use of church buildings to individuals or groups from outside the Congregation. The Vestry may, by resolution, establish guidelines for such use.
5. **Discretionary Fund.** A Discretionary Fund may be established by the Congregation under the Priest's control. In accordance with Episcopal Canon¹³, the loose offering on the first Sunday of each month is to be deposited into this fund. Use of the fund by the Priest will conform to the diocesan *Discretionary Fund Policy of Use*.
6. **Mutual Ministry Review.** The Wardens, Vestry and Priest will engage in a Mutual Ministry Review each year in April or May, or at another convenient time determined by Vestry resolution. A mutually agreed upon third party may be engaged to facilitate the process whose purposes are:
 - a. provide opportunity to assess how duties and responsibilities outlined in this Covenant are being fulfilled;
 - b. establish goals for the Congregation for the upcoming twelve months;
 - c. isolate areas which may not have received adequate attention and may adversely affect ministry;
 - d. clarify expectations between Priest, Wardens and Vestry.

¹¹ Documentation showing the expense must be provided to avoid tax liability.

¹² Title III, Canon 9.6(a)(2)

¹³ Title III, Canon 9.6(b)(6)

7. **Moving Expense.** The Congregation will pay usual and reasonable expenses incurred by the Priest in moving from a current residence to a residence in PLACE. [may add “not to exceed \$X”.]¹⁴
8. **Concluding the Covenant.**
 - a. This Covenant may be concluded by mutual consent of the Priest, Vestry, and Bishop¹⁵.
 - b. This Covenant may be concluded by canonical procedures of Title III, Canon 9, Section 15 “Dissolution of a Pastoral Relationship”.
 - c. This Covenant may be concluded by the Bishop in a manner as may be set forth in the Constitution and Canons of the Church.
 - d. The Bishop may negotiate severance between Priest and Vestry.
9. [\[may add details for improvements or remodeling to a church provided dwelling to be performed before the priest starts or during the first year\].](#)
10. [\[may add details of other agreements or arrangements after discussing such with the bishop.\]](#)

SECTION G – Endorsement of Covenant

The parties below endorse this Covenant as evidence of the relationship entered between Priest, Congregation and Bishop, and confirm the agreements provided herein with a formal commencement date being **DATE**.

_____ The Rev. **PRIESTNAME**
Date

_____ **SRWARDENAME**, Senior Warden
Date

I have reviewed the Covenant, endorse it as evidence of the relationship entered between Priest Congregation, and Bishop, and approve it as consistent with the Constitution and Canons of the Episcopal Church, the Constitution and Canons of the Diocese of Fond du Lac and relevant federal and state laws.

Reviewed and Approved: _____
 The Rt. Rev. Matthew A. Gunter, Bishop of Fond du Lac, *Date*

Original: Diocesan Office - Priest’s file
 Copies: Congregation, Priest, Diocesan Office - Congregation File

External Documents incorporated into this Covenant

- Book of Common Prayer
- Clergy Minimum Compensation Schedule
- Constitution and Canons of the Diocese of Fond du Lac
- Constitution and Canons of the Episcopal Church
- Discretionary Fund Policy of Use
- Financial Policies for Congregations
- Health Insurance Policy
- Maternity and Paternity Leave Policy
- Sabbatical Guidelines
- Safe Church Abuse Prevention Policy and Procedure Manual

¹⁴ 2018 tax law changes has made this a taxable benefit to the cleric to be reported as income on the W-2.
¹⁵ If the desire to conclude the Covenant is under normal transitional processes, at least 45 days is the norm before formally ending the relationship.