

Finance Policies for Congregations of the Episcopal Diocese of Fond du Lac

Adopted by the Executive Council

Policies apply to all congregations and are sent annually to parochial clergy, wardens and treasurers.



1. General Policies

The Senior Warden and Treasurer of each congregation shall annually review:

- *Title 4: Of Finances and Business Methods* of the Diocesan Canons
- *Title 1, Canon 7: Of Business Methods in Church Affairs* of the National Canons, and
- *The Manual of Business Methods in Church Affairs* published by the National Church.
- In congregations with lay employees, the *Guide to Human Resource Practices for Lay Employees in Episcopal Churches* available from the Diocesan Office.

Each congregation is expected to have in place procedures consistent with these documents.

2. Compensation Minimums

Clergy

Clergy compensation should meet or exceed the current *Clergy Minimum Compensation Schedule*. The Treasurer is responsible for paying clergy on a timely basis under an agreed upon schedule. The Treasurer shall report taxable compensation as required by the Internal Revenue Code.

Lay Employees

Lay Employee compensation should meet or exceed an average rate for similar positions in the local area. The Treasurer shall report taxable compensation as required by the Internal Revenue Code.

3. Pension

Clergy

Pension assessments of the Church Pension Fund shall be paid, as required by national Canon, on a timely basis by the Treasurer.

Lay Employees

Pension contributions for eligible Lay Employees (working at least ½ time/1,000 hours annually) shall be paid, as required by national Canon, on a timely basis by the Treasurer.

4. Insurance

Clergy and eligible Lay Employees (working at least ½ time/1,000 hours annually) shall be offered Medical & Dental Insurance coverage consistent with the diocesan *Health Insurance Policy* through the Episcopal Church Medical Trust with the premium paid on a timely basis by the Treasurer.

A \$10,000 Group Term Life and Accidental Death Insurance policy shall be provided to Clergy and eligible Lay Employees (working at least ½ time/1,000 hours annually) through the Church Life Insurance Corporation with the premium paid on a timely basis by the Treasurer.

A Short-Term and Long-Term Disability Insurance policy shall be provided to eligible Lay Employees (working at least ½ time/1,000 hours annually) through the Church Pension Fund with the premium paid on a timely basis by the Treasurer. Clergy have this coverage as a pension beneficiary.

5. Travel Reimbursement

A congregation with a Rector, Vicar, Priest-in-Charge, Interim, Assistant or Associate Priest serving a congregation on a full-time basis should budget not less than \$3,600 annually for travel expense reimbursement. Reimbursement for travel on church business shall be on an accountable basis with record kept on reason, date and mileage for the travel. Reimbursement should not be on a non-accountable basis as it becomes assessable for pension purposes and taxable income which must be so reported by the Treasurer annually to the IRS and pension fund.

A congregation is encouraged to establish travel reimbursement funding on an accountable basis for a Lay Employee and/or Deacon serving a congregation.

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6. Housing & Utilities

The following policies apply to priests serving a congregation and deacons employed in a position outside the diaconal role (such as a parish administrator).

A congregation shall provide for clergy housing and utilities through church-owned housing, rental, or cash housing allowance adopted by resolution of the Vestry.

When church-owned or rental housing is provided, major appliances are to be included and the congregation shall provide an equity allowance of at least 2% of the stipend paid to a pension provider (non-taxable) or the cleric (taxable and assessable for pension purposes)

A congregation shall provide for a clergy phone through payment to a vendor or reimbursement of phone service charges on an accountable basis.

A congregation desiring to provide for the housing or phone expense to a Lay Employee shall consult with the Diocesan Office prior to agreement to clarify the tax consequences involved.

7. Pledge, Parochial Reports, Pension Fund, Annual Reviews

Each congregation shall make a pledge to support the mission and ministry of the Diocese. Pledge payments are expected by the fifteenth of each month.

Diocesan Canon 1.8 states that Lay Delegates from any congregation shall not be entitled to vote in the Convention if the congregation has failed to pay its pledge to the Diocese for the preceding fiscal year, failed to file its annual parochial report, is in arrears to the Church Pension Fund for the preceding year, or failed to file its annual financial review or audit report.

8. Supply Remuneration

The congregation shall provide remuneration to a supply cleric according to the current '*Supply Clergy Remuneration Rate*.

9. Discretionary Fund

Priests

A congregation may establish a discretionary fund that should be a separate account under the congregation's Federal Tax ID whose use is to be consistent with the diocesan *Discretionary Fund Policy*.

Deacons

With permission of the Bishop, a Deacon may establish a discretionary fund which is to be a separate account established under the diocesan Federal Tax ID whose use is to be consistent with the diocesan *Discretionary Fund Policy*.

10. Property Items

A congregation considering the sale, purchase or encumbrance of property shall notify the Diocesan Office of such consideration for direction in action to be consistent with diocesan and national Canons.

11. Convention Delegates

Congregations shall budget for delegates to attend the Annual Diocesan Convention consistent with the *Policy on Diocesan Convention Guidelines For Congregations*.