

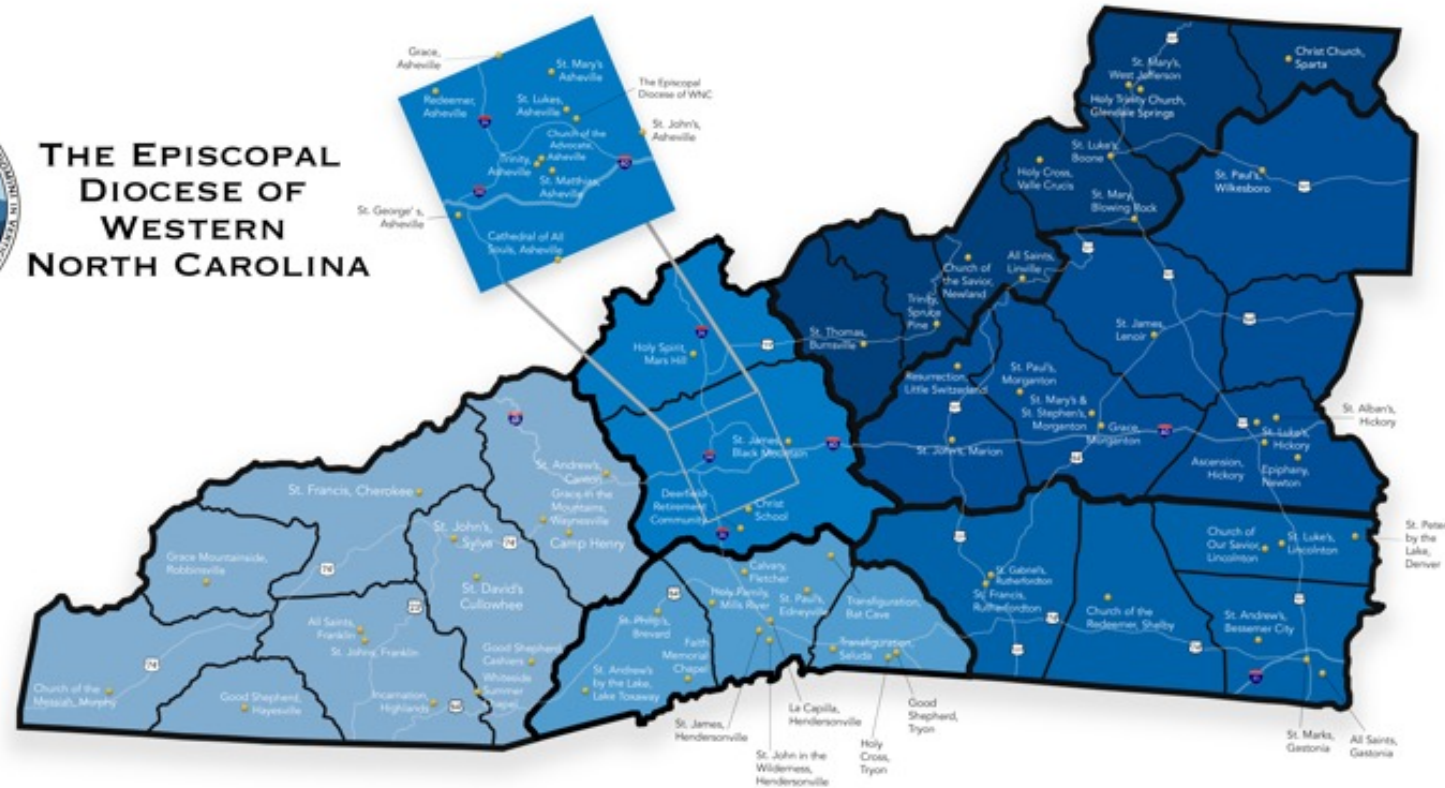
February 18,
2023

Vestry Leadership Day





THE EPISCOPAL DIOCESE OF WESTERN NORTH CAROLINA



Western Deanery

All Saints, Franklin
 Good Shepherd, Hayesville
 Good Shepherd, Cashiers
 Grace Church in the Mountains,
 Waynesville
 Grace Church Mountanside,
 Robbinsville
 Incarnation, Highlands
 Messiah, Murphy
 St. Andrew's, Canton
 St. Francis of Assisi, Cherokee
 St. John's, Franklin
 St. John's, Sylvia
 Whiteside Summer Chapel

Hendersonville Deanery

Calvary, Fletcher
 Good Shepherd, Tryon
 Faith Memorial Chapel
 Holy Cross, Tryon
 Holy Family, Mills River
 La Capilla, Hendersonville
 St. James', Hendersonville
 St. John in the Wilderness,
 Flat Rock
 St. Paul's, Edneyville
 St. Philip's, Brevard
 Transfiguration, Bat Cave
 Transfiguration, Saluda

Asheville Deanery

Cathedral of All Souls, Asheville
 Church of the Advocate,
 Asheville
 Deerfield Retirement Community
 & St. Giles Chapel
 Grace Church, Asheville
 Holy Spirit, Mars Hill
 Redeemer, Asheville
 St. George's, Asheville
 St. James', Black Mountain
 St. John's, Asheville
 St. Luke's, Asheville
 St. Matthias, Asheville
 Trinity Episcopal, Asheville

Piedmont Deanery

All Saints, Gastonia
 Epiphany, Newton
 Our Savior, Lincolnton
 Redeemer, Shelby
 St. Andrew's, Bessemer City
 St. Francis, Rutherfordton
 St. Gabriel's, Rutherfordton
 St. Luke's, Lincolnton
 St. Mark's, Gastonia
 St. Peter's by the lake, Denver

Foothills Deanery

Ascension, Hickory
 Grace Episcopal, Morganton
 Resurrection Chapel, Little
 Switzerland
 St. Alban's, Hickory
 St. James, Lenoir
 St. John's, Marion
 St. Mary's & St. Stephen's,
 Morganton
 St. Paul's, Morganton

Mountain Deanery

All Saints Chapel, Linville
 Christ Church, Sparta
 Holy Cross, Valle Crucis
 Holy Communion (St. Mary's,
 Holy Trinity), Glendale Springs
 Church of the Savior, Newland
 St. Luke's, Boone
 St. Mary-of-the-hills, Blowing Rock
 St. Thomas, Burnsville
 Trinity, Spruce Pine



Polity of The Episcopal Church

The Rt. Rev. José Antonio McLoughlin
Bishop Of The Episcopal Diocese Of Western North
Carolina

This summary is based on Episco-Polity 101 created by the Vital Congregations Committee of the Episcopal Diocese Of Michigan and is used with permission.

Let's look at Polity

- ❖ 3 basic forms of polity in Christian faith communities:

“episcopal” churches

Examples: Roman Catholic, Eastern Orthodox, and many Anglican Churches.

- Apostolic Succession
- Authority is vested in bishops, who (alone) make decisions of doctrine.
- Bishops are the chief ministers, who then ordain other ministers (priests and deacons).

“congregational” churches

Examples: United Church of Christ, Baptist churches, “free church”

- Each congregation can decide its own doctrine and positions.
- Congregations may join loose associations for mutual benefit, but not to have authority over one another.
- Congregationalism appeared after the Reformation.
- Individual community calls clergy without hierarchical approval.
- This is the polity “in the air” in the Southeast!

“presbyterial” churches

Example: The Presbyterian Church (USA) and its off-shoots.

- No bishops, but congregations are organized into regional “presbyteries” and synods.
- Elected church officials, lay and ordained, make major decisions for congregations.
- Annual national “General Assembly” makes policy for the whole denomination.

Which is the
correct
form?

Essentially...all

- The New Testament shows elements of all three forms with lots of experimentation and local adaptation.
- No modern Church system can be traced exclusively back to the Early Church.

The Episcopal Church: a hybrid polity

Effectively blends “episcopal,” “presbyterial,” and “congregational” forms of polity.

- We have Bishops
- Certain authority separately given to all orders of ministry.
- Shared decision making between clergy and lay leaders.
- Certain decisions can be made at the congregational level independent of bishop or other congregations. (C&C)
- The primary ministers are the “laity”.

Baptismal Authority

- Equal and mutual authority is given to all through baptism
- The Holy Spirit is active in everyone's life, gives us each unique and incomplete gifts, and unites us in a larger whole (I Corinthians 12; Ephesians 4)
- Every person's gift is important to the Body of Christ
- All baptized persons have a ministry (Baptismal Covenant; TEC Title III, Canon 1)

Authority sits in the pews

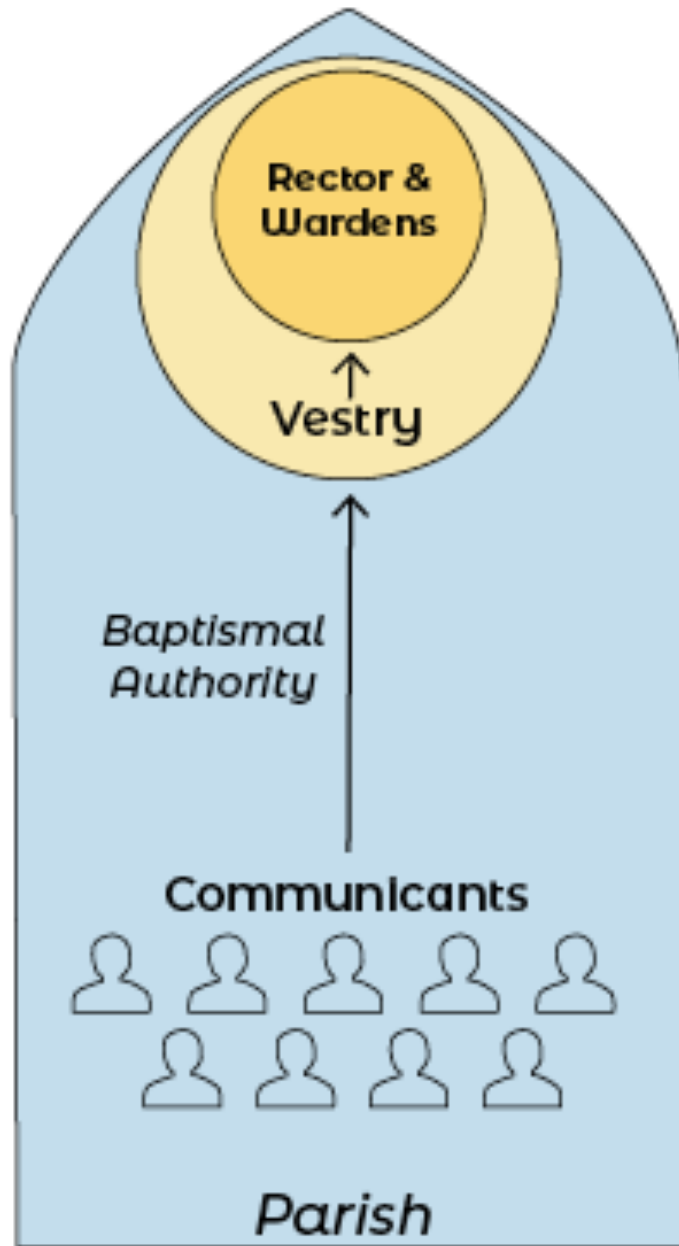
The Episcopal Church has characteristics of a representative democracy:

- We exercise our authority through the election of representatives (vestry, delegates to diocesan convention and deputies to General Convention).
- They make decisions on our behalf.
- We also have bishops who exercise authority within the framework of shared leadership
- This approach to leadership is uncommon in the Anglican Communion.

How it works: Polity in the Parish

It begins with the people in the pews, who elect the vestry and elect delegates to diocesan convention at the Annual Parish Meeting.

The vestry is responsible for most of the big decisions in the parish, as described in the Constitution and Canons.



The "Flow" of Baptismal Authority: Local Congregation

Begins with "communicants"

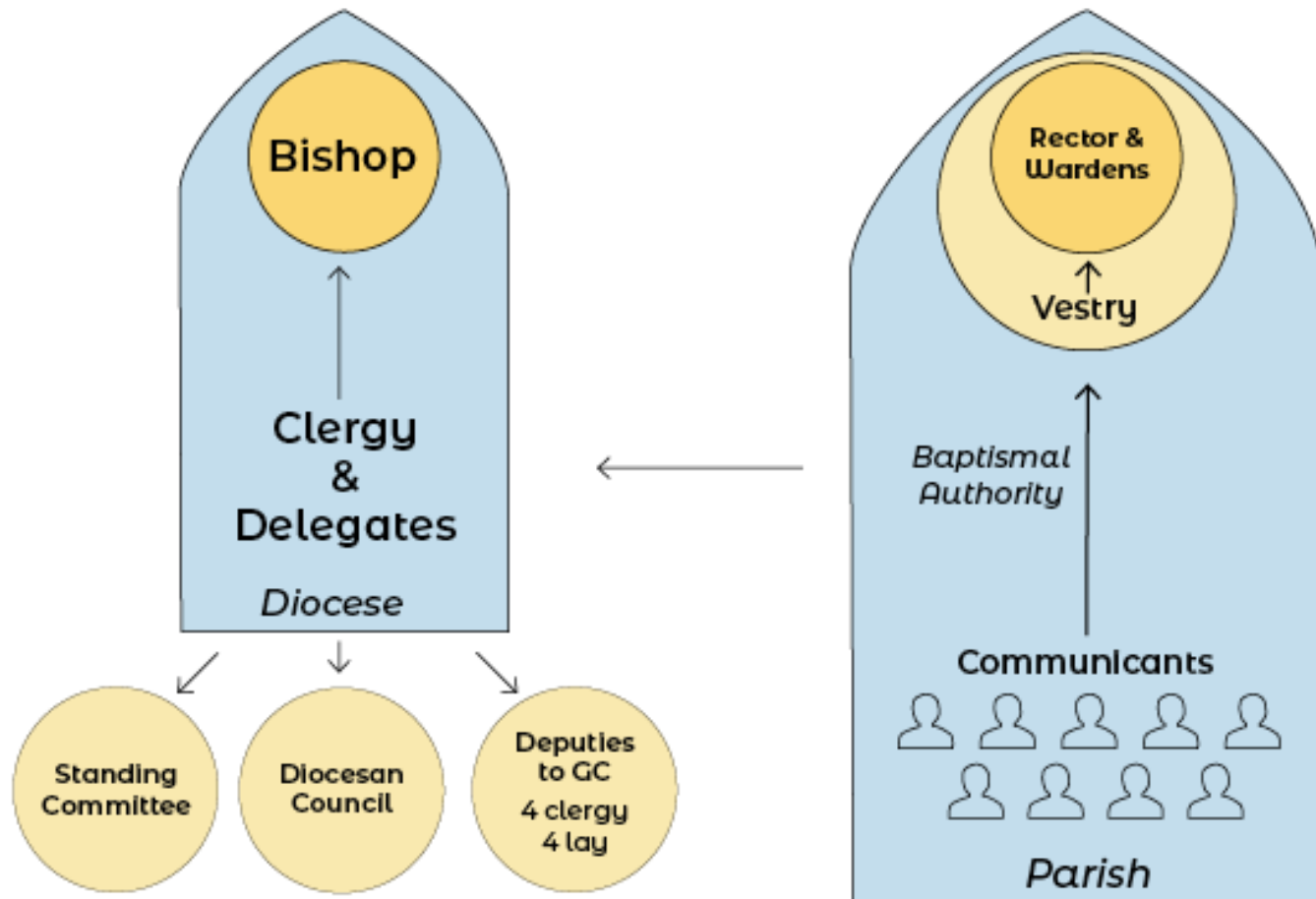
"Adult communicants in good standing" invest some of their baptismal authority in the Vestry

Vestry receives that authority as responsibility to make decisions on behalf of the congregation

The "Flow" of Baptismal Authority: Diocese

Congregation also invests some baptismal authority in Diocesan Convention Delegates:

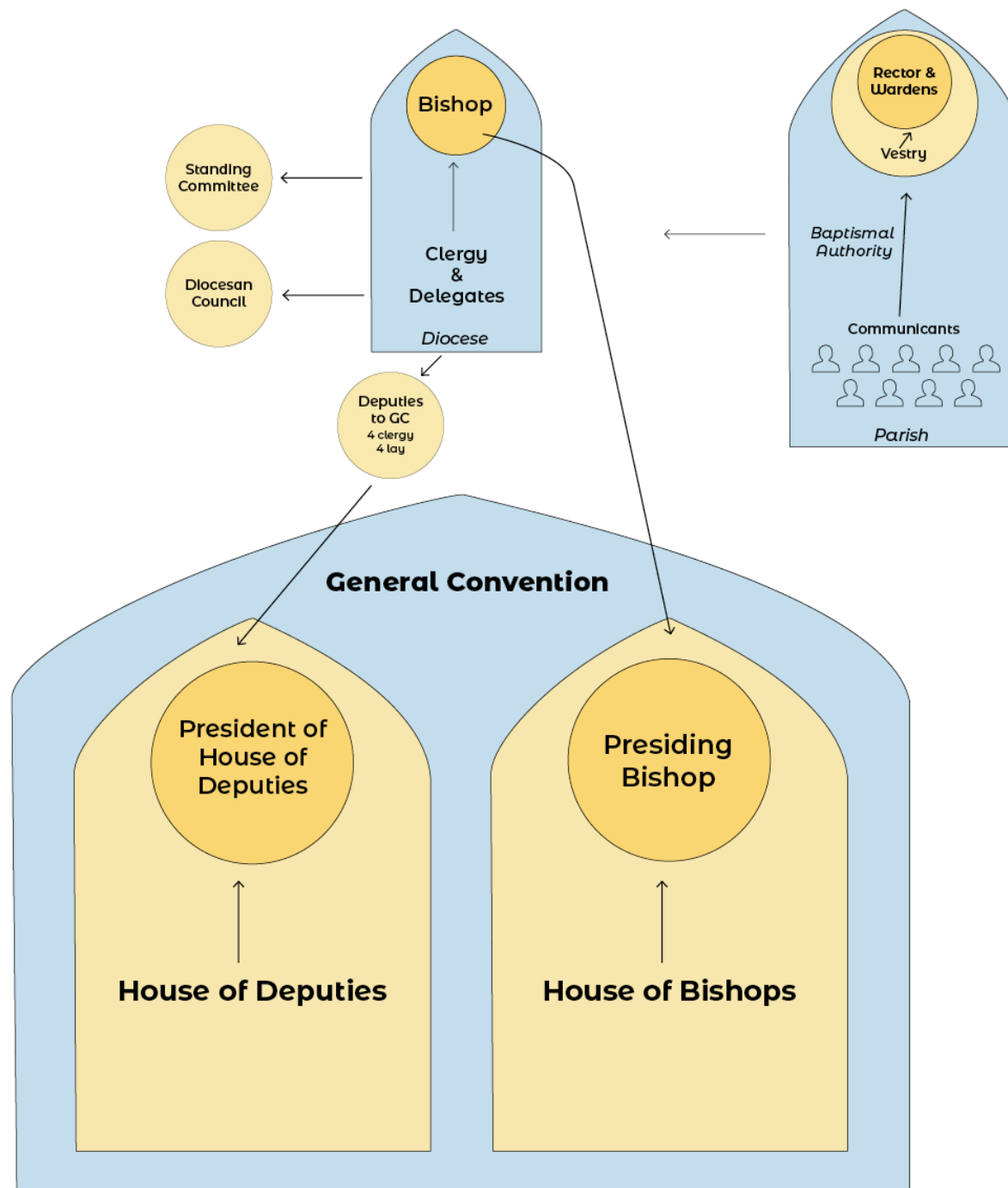
- Electing a bishop (when required);
- Passing the diocesan budget;
- Electing leaders of the diocese (Standing Committee, Executive Council, etc.),
- Setting policy and canon law for the diocese; and
- Every three years, electing the Diocese of Western North Carolina deputies to General Convention



The "Flow" of Baptismal Authority: Wider Church

Diocesan Bishop(s) and General Convention Deputies:

- Elect the President of the House of Deputies (from among the deputies)
- Affirm the election of the Presiding Bishop by the House of Bishops (from among the bishops)
- Make decisions for The Episcopal Church on behalf of the Diocese that sent them



Shared Authority

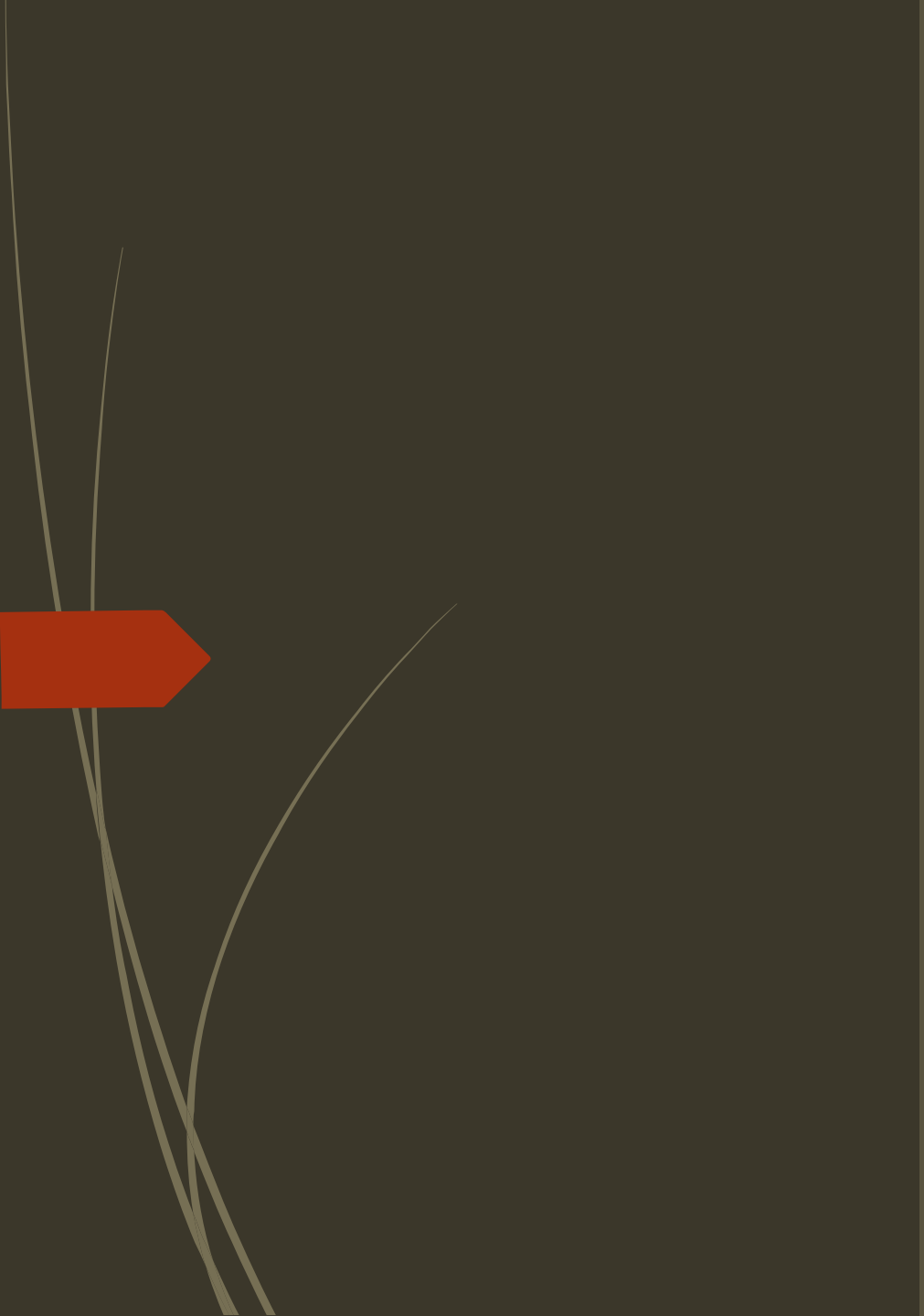
On every level of our Church, authority is shared between lay and ordained:

- Congregation Level – Annual Meeting, Vestry, Wardens and Clergy share authority
- Diocesan Level – Bishop and Standing Committee, Diocesan Convention, Executive Council, other Diocesan committees
- National Level – General Convention (voting in bicameral houses: bishops and deputies), Presiding Bishop, commissions and committees

A decorative graphic on the left side of the slide. It features a solid red arrow pointing to the right, positioned horizontally. Several thin, light-colored lines curve and cross each other in the background, creating a dynamic, abstract pattern.

Role and Responsibility of

The Vestry



The powers and responsibilities of the parish vestry are generally set forth in canons 2, 10, 11 and 12 of the canons of The Episcopal Diocese of Western North Carolina and canons I.6.1, I.7.3 and I.14 of the Canons of The Episcopal Church.



Responsibilities


1. Manage the Parish's temporal affairs

The vestry is the agent and legal representative of the parish in all matters concerning its property. It is the duty of the vestry to take charge of and manage the temporal affairs of the parish (which are the secular possessions of the parish, such as its land, building and other assets).

- **Elect a Warden**
- **Elect a Secretary**
- **Policies, Programs and Budgets**



Responsibilities - *continued*

- 2. Support the Diocese and The Episcopal Church**
 - 3. Assist in Worship**
 - 4. Call a priest and manage relations with clergy.**
 - 5. Review and approve annual parish reports.**
- 



Limitations on the Role of Vestry

The powers and responsibilities of the vestry (and the parish it represents) are not without limits. Such limitations include the following:

1. Ecclesiastical Matters.

The Bishop is the chief pastor of the Diocese, and the priests who serve in the Diocese are the Bishop's assistants and are subordinate to the Bishop's authority as to ecclesiastical matters.

Limitations on the Role of Vestry

2. Beneficial Ownership of Property.

Each parish holds all property, real and personal, in trust for the Diocese and The Episcopal Church. Subject to certain limitations, however, the parish may exercise authority over such property so long as the parish remains a part of, and subject to, The Episcopal Church and its constitution and canons and the Diocese and its constitution and canons.

- **Conveyances, Transfers or Encumbrances by a Parish**
- **Transfers to a Parish**




Role of Wardens

The powers and responsibilities of the Wardens of a Parish are generally set forth in canon 10 of the Diocese. They can be summarized as follows:

- 1. Assist in Managing the Parish's Temporal Affairs.** In the absence of a priest, the Senior Warden followed by the Junior Warden is to preside at any parish meeting. Moreover, the Wardens are to assist in managing the financial affairs of the Parish, including the collection, safekeeping and disbursement of funds or other gifts to the parish.
- 2. Assist with Worship.** It is the duty of the Wardens to provide the elements for the Lord's Supper, to provide for worship and instruction when the parish is without a priest (but as noted above, ecclesiastical matters are subject to the supervision of the Bishop), and to prepare the annual parish report for the parish when the parish is without a priest.




Obligations of the Vestry Members

- Duty of Care
 - Duty of Loyalty
 - Duty of Obedience
 - Duty of Confidentiality
- 



Other things to know

- Business Methods in Church Affairs
 - Model By-laws
 - Size of the Vestry and Terms
 - Eligibility to Serve on the Vestry
 - Vestry Meetings
- 

Vestry Leadership
February 18, 2023

Diocese of Western North Carolina



Vestry Financial Resources



Diocesan website:

- ➔ What we do
- ➔ Provide Resources
- ➔ Parish Administration



Manual of Business
Methods in Church
Affairs: updated December 2019

A Review of Vestry Responsibilities



To ensure the facilities are maintained



To ensure salaries are paid



Verify all bills (including payroll taxes!) are paid



Any deficit at end of the year is eliminated by subscription from parishioners or by contributions.



Every member of the parish is asked to make a financial pledge for the support of the mission for the church.



Approves the annual budget



Submit parish's annual pledge to the Diocese.



Confirming an annual audit is completed

Internal
Controls:
Segregation
of duties

Three-Legged Stool of internal control

- Handles the Money
- Reconciles
- Records/Posts the Books



Effective Internal Controls

The Manual: Chapter II



Adequately safeguard cash,
property and other assets



Ensures all financial transactions are
appropriately documented and
approved by authorized staff



Ensures that funds are expended
with donor requirements and
limits



Ensures financial reporting is
accurate, timely and conforms
with policy

Internal Control Questionnaire

Checklist for
periodic review
and evaluation

The Manual

Chapter II: Financial
Management II-12



Chapter III: Bookkeeping Vestry and Treasurer Responsibilities

Non-profit organizations:

responsible to report to their contributing sources

- **all the assets, liabilities and fund balances belonging to the organization.**



Full disclosure
= all parish funds be reported in a **single set of financial statements**



Financial Statements

must be prepared on a monthly basis.

- Statement of Financial Position (balance sheet);
- Statement of Changes in Financial Position (income statement); and
- Statement of changes in Fund Balance

Employee or Contractor?

#2 issue/error

The Worker:

- Does not work for other employers.
- Does not advertise his or her services to the general public.
- Is required to follow an employer's instructions regarding when, where, and how to work.
- Receives "on-the-job" training from an experienced employee.
- Is expected to perform the services personally, and not use a substitute.
- Has a continuing working relationship with the employer.
- Work is done on the employer's premises.
- Must submit regular oral or written reports to the employer.

The employer :

- Hires and pays any assistants not the worker.
- Reimburses for business expenses.
- Establishes set hours of work.
- Furnishes the worker's tools, supplies, and equipment.

Exempt verses Non- Exempt Employee

#1 issue/error

Employers are required to classify jobs as one or the other. Not knowing the difference could cost you lots of money.



What's the difference?

An **exempt employee** is not entitled overtime (FLSA)

Non-exempt employees must be paid overtime



Effective January 1, 2020, the FLSA minimum salary threshold for exempt employees increased to \$35,568 annually, or \$684 weekly (part-time is irrelevant)

Exempt Employees Under the Fair Labor Standards Act (FLSA)

Executive Exemption

Administrative Exemptions

Professional Exemption

Computer Exemption

Outside Sales Exemption

All must meet the minimum salary test

New Hires Benefit Eligible?

#3 issue/error

- *How many hours does an employee need to work before we are required to purchase **Denominational Health Plan insurance** for the employee?*

Average of 30 hours per week or 1,560 annually, church must offer health insurance @ 80% of target plan (\$752.80 monthly). Eligible to enroll at 1,000 hours annually.

- *When does the parity rule become effective and what does that mean?*

Jan 1, 2016, Health Insurance Only

- *How many hours does an employee need to work before we are required to invest the **Church Pension Plan** for the employee?*

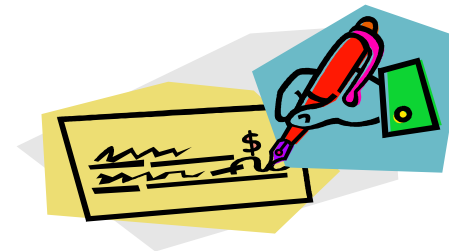
Average of 20 per week or 1,000 annually

Chapter V: Clergy Discretionary Fund

Avoid the risk of “**Constructive Receipt**” of taxable income.

Satisfy all the following conditions:

- Give priest discretion to distribute the fund only for **specified purposes; and**
- Prohibit (in writing) the priest from distributing any portion of the fund for **himself or herself or any family member; and**
- Designate individual to audit fund – usually the Treasurer



Annual Audits: **Title I, Canon 7, Section, (f)**



See Chapter VI Audit Guidelines for Congregations



Contents of the Audit Report (Manual for documents to be sent to the Diocese)



DUE BY **September 1** each year



Diocesan Audit Assistance for Small Parishes

- Diocesan CFO and a group of retired CPA's and Accountants.
- Committee was formed at the end of 2019
- Intent is to audit 10 small parishes each year. Over 3 years all small parishes would be audited.
- List of 2023 churches for YE 2022 sent early March and churches advised.
- Members have signed non-disclosure agreements to protect confidentiality.
- Cost to parish is direct travel expenses of committee members.
- Recruiting for additional members!
 - Calling all Treasurers
- Alternatives for mid-sized parishes



Audits needed for Grants

Passed by Fiscal Ministries in
December 2012



For anyone who applies for a grant
or loan, their audit must be up to
date and on file with the diocesan
office to be eligible for funding.

Chapter VII: Risk Management and Insurance

Canon 7:Sec. 1(g) of TEC states:

“All buildings and their **contents** shall be kept adequately insured.”

Canon 12.4 of the DWNC provides:

It shall be the duty of each Parish to comply with the business methods in church affairs prescribed by Title I.

Canon 7 of the General Convention of TEC:

Each Parish shall maintain:


- (1) adequate casualty insurance coverage to insure all buildings and personal property titled to the Parish or titled to the Diocese and used by the Parish, and
- (2) in respect to all activities of the Parish, adequate liability insurance coverage to insure against any liability of the Parish, its Clergy, Wardens, Vestry and all other agents or employees of the Parish and of the

Asset Inventory - Have you completed one?

Have you review content coverage?

Termites? Earthquakes? Floods?

2022 Parochial Reports - Due to Diocese March 1st

THE *Episcopal* CHURCH 

Welcome

Login name

Password

[I forgot my password](#)

PRIVACY POLICY TERMS:
By clicking Login, I agree that any personal data I provide to complete the Parochial Report pursuant to Canon I.6.1 or the Diocesan Report pursuant to Canon I.6.4 may be used for those purposes and used and stored for The Episcopal Church's inventory records. I further agree to receive email communications from The Episcopal Church as needed to secure an accurate view of the state of the Church. [Full Privacy Policy](#)

Need Login Information?
Contact your Diocesan Office.

Still having trouble?
Please contact the General Convention Office at pr@episcopalchurch.org

Current Status

- 6 completed! 
- 27% in process
- 57% have not started

2022 Parochial Report: Updated

Attendance & Services

Here you enter the information for the current filing year vital statistics. View the [Forms and Instructions](#) page at the General Convention website for examples and explanations. [Review the Online Workbook and Instructions »](#)

Enter only numeric digits. Do not include dollar signs, commas, or other formatting.

	2021	2022
In-Person Worship Attendance:		
<i>Using the Service Register, count in-person worship attendance only. Do not include online participation numbers. Then divide total attendance by 52.</i>		
Total Attendance:	<input type="text" value="0"/>	<input type="text" value="0"/>
Total weeks	+ <input type="text" value="52"/>	<input type="text" value="52"/>
11. Average Weekly Attendance (calculated)	= <input type="text" value="0"/>	<input type="text" value="0"/>
12. Total Attendance for All Non-Regularly Scheduled Worship (i.e., Burials, marriages, baptisms conducted outside regularly scheduled worship, quinceañeras, etc.)	<input type="text" value="0"/>	<input type="text" value="0"/>
<i>Enter your total attendance for the year, and the number of Sundays when services were held, to display your calculated Average Sunday Attendance.</i>		
Total Attendance:	<input type="text" value="0"/>	<input type="text" value="0"/>
Total # of Sundays	÷ <input type="text" value="0"/>	<input type="text" value="0"/>
13. Average Sunday Attendance (calculated)	= <input type="text" value="0"/>	<input type="text" value="0"/>
14. Average In-person Principal Worship Service Attendance on a Weekday (for congregations without Sunday or Saturday evening services)	<input type="text" value="0"/>	<input type="text" value="0"/>
15. Total In person Easter Sunday Attendance (including Easter Vigil):	<input type="text" value="0"/>	<input type="text" value="0"/>
16. Total In person Christmas Eve and Christmas Day Attendance:	<input type="text" value="0"/>	<input type="text" value="0"/>
How was worship conducted in 2022?		
17. Languages in which Worship is conducted:	<input type="text" value="(none)"/>	<input type="checkbox"/> English <input type="checkbox"/> Spanish <input type="checkbox"/> French <input type="checkbox"/> Haitian Creole

Contact Information



Carol Tannenbaum, MBA, CPA
Chief Financial Officer

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Leadership Roles of Vestries

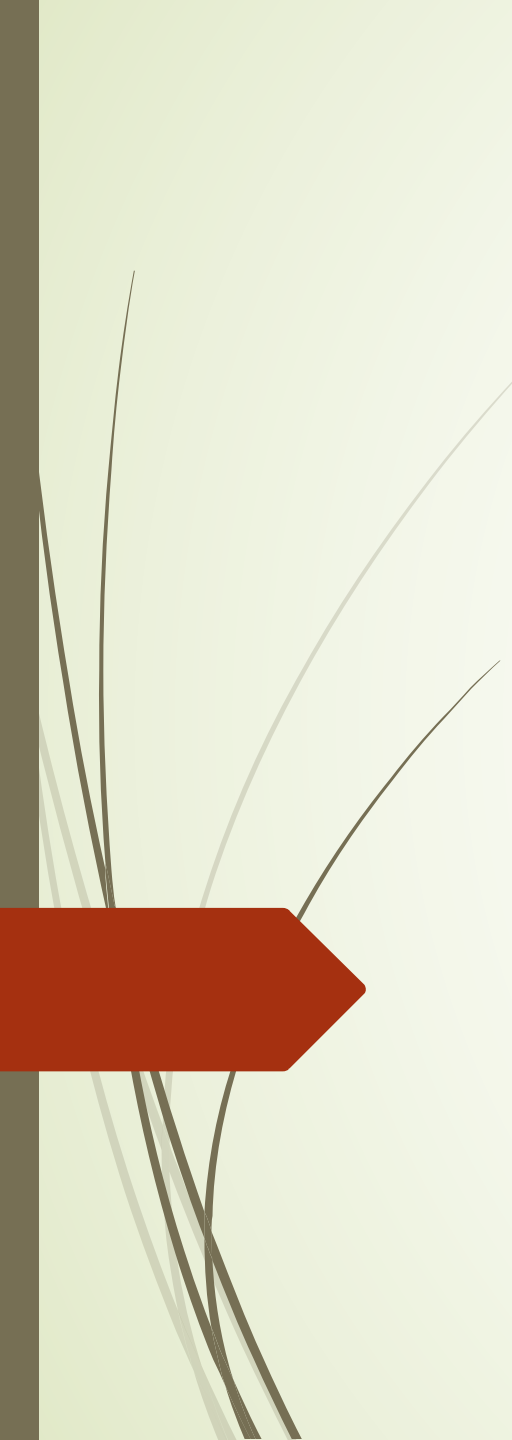


What we will cover...

- Responsibilities
 - Leadership
 - Management

Reflections from both conceptual and practical levels

- How to work with your clergy
- Vestry role in stewardship



The Responsibilities of the Vestry

The work of the vestry has two faces, leadership and management. While leadership and management are different, they are complementary and essential. They differ in purpose, focus and tools/ activities.

The Vestry Resource Guide

Leadership involves the following activities:

- **Envisioning:** Creating vision of the future, along with strategies to make the vision real
- **Engaging:** Getting people to understand and commit to the vision
- **Empowering:** Enabling others to make the vision real
- **Energizing:** Generating enthusiastic, inspired, determined efforts
- **Exemplifying:** Modeling the vision and the desired values and behaviors

Leading as a vestry member is different than leading in the secular world.

Visioning in the context of the congregation is a process of *discernment*.

Vestry members *prayerfully* work together seeking the mind of Christ as reflected in the life of the congregation as opposed to the mind of an individual or group of individuals.

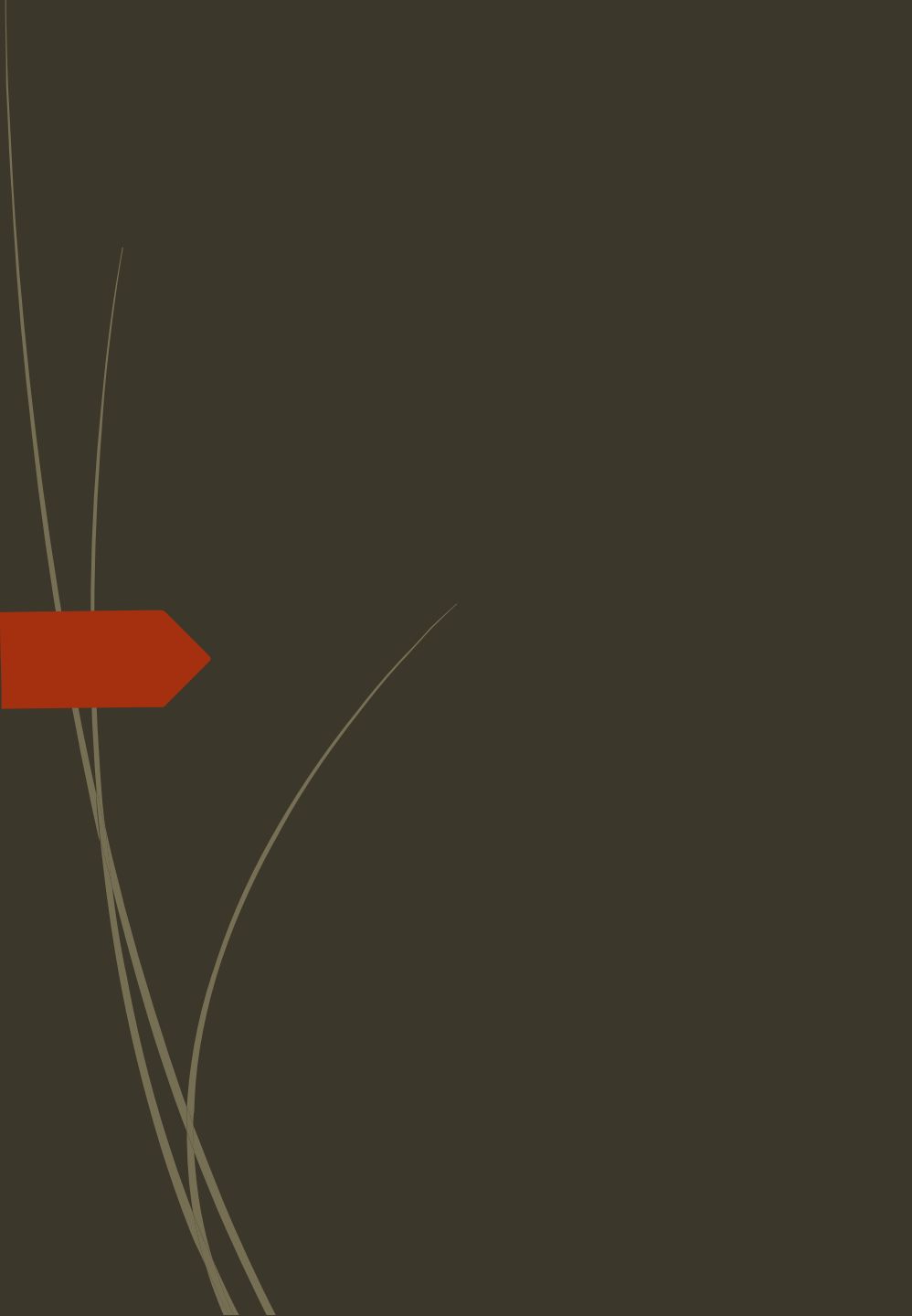
Leadership includes tasks such as:

- Discerning a vision for the future
- Articulating and communicating the vision
- Generating enthusiasm and "buy-in" from the congregation
- Setting the tone for leadership that encourages other leaders in the congregation to grow and flourish.




Management in the church involves the following activities:

- **Planning:** Budgeting, allocating resources and setting objectives
- **Organizing:** Establishing structures, policies and procedures
- **Engaging:** Gift/talent assessment, training, role-development, coaching, evaluation, recognition, compensation
- **Monitoring:** results vs. plan, corrective action, re-planning
- **Preserving:** Maintaining and evaluating the physical assets (property and buildings) for the mission of the church





Managers strive to achieve stability, predictability, order and efficiency; these are necessary, worthy and daunting goals. Good managers must deal with conflicts and take some risks to achieve these difficult goals. Both good leaders and good managers are willing to take risk.



Vestry Models Discipleship

- **Cultivate a life of prayer and formation**
- **Showing enthusiasm for the church and its ministries**
- **Making a generous financial pledge to support the mission of the church**
- **Being actively involved in at least one parish ministry**
- **Attending worship services, events, adult formation programs, etc.**
- **Modeling healthy behavior**



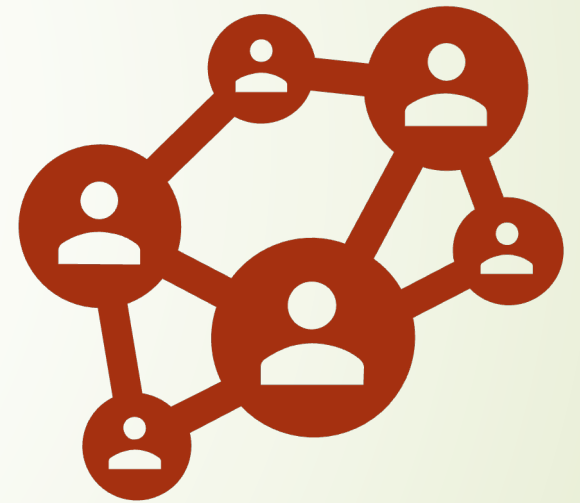
What does that look like in
“real life”?

Visioning and Planning

- Clarifying and articulating the congregation's identity and vision
- Recognizing and reflecting on the changing patterns of culture and society and the impact on the church
- Setting measurable goals and taking responsibility for them
- Having a long-term perspective
- Challenging each other and the congregation to look and think expansively

Managing

- **Being intentional in ministry planning**
- **Seeing that ministries are focused towards an overarching goal**
- **Insisting on transparency**
- **Identifying and equipping talented people for ministry**
- **Holding each other to high standards of professionalism**
- **Addressing congregational issues in healthy ways**

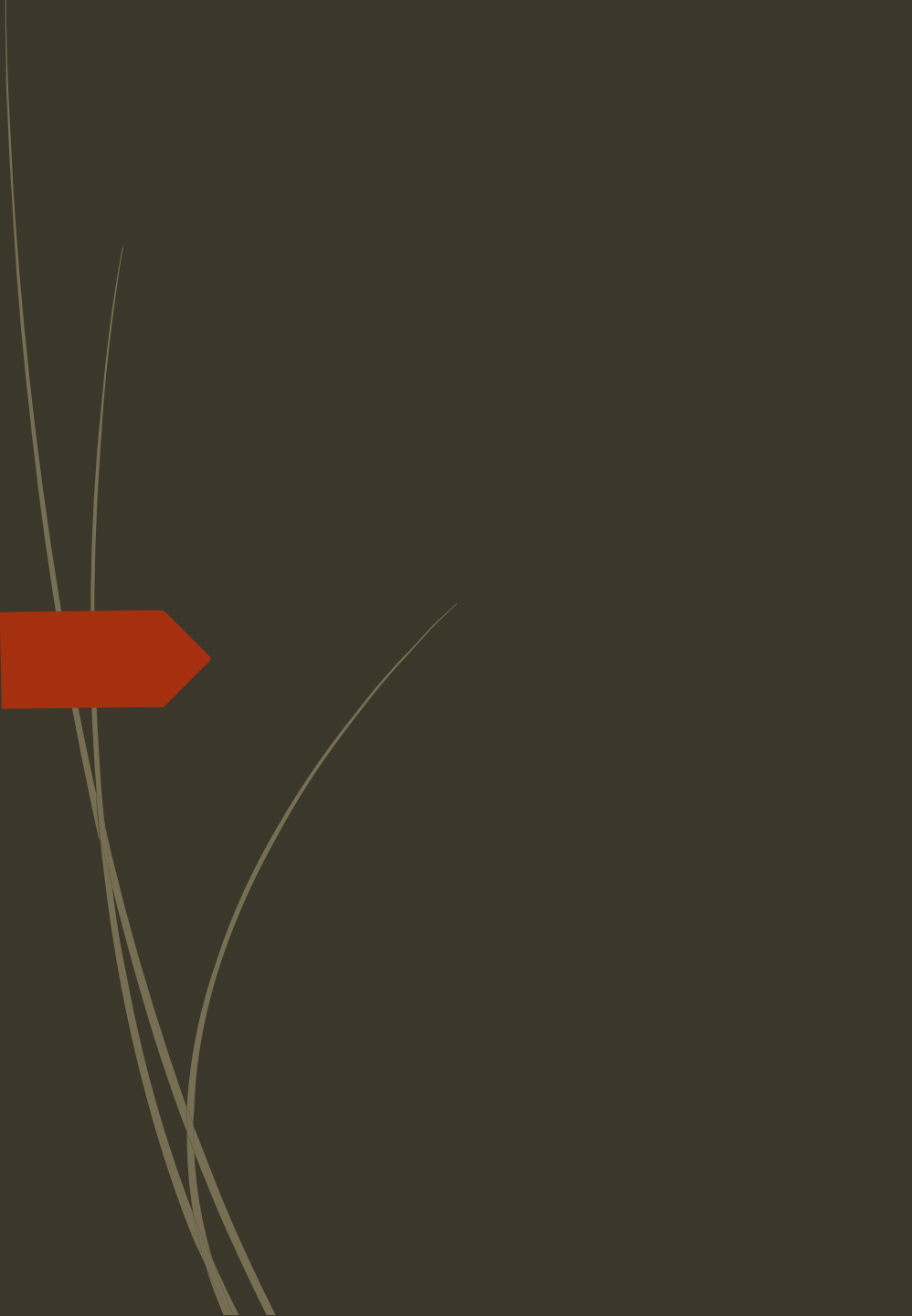


Meetings

- ▶ **Check any personal agenda at the door.**
- ▶ **Avoid acting as a committee of the whole**
- ▶ **Discuss and debate issues, then speak with one voice**

All vestry members should strive to the best of their abilities to:

- Pray daily for the clergy, leaders, and members of the congregation;
- Be active in and knowledgeable about the congregation, its programs and governance;
- Be fair, interact well with people, and strive to earn the respect of the members of the congregation;
- Have enthusiasm and vitality for this ministry

- 
- The work of the vestry is done in *partnership* with the rector and therefore it is important for the vestry members to understand the rector's role and responsibilities. See *Title III. Canon 9, Section 6.*



Working with clergy

- Different language and goals than business
 - *WWJD?*
 - *Mission & Ministry*
- Church is a community (relationships) as well as an organization (practices/policies)
 - Make decisions prayerfully
 - Engage in best practices, e.g., plans, job descriptions, evaluation, feedback
- Areas of Oversight & Mutuality



The Vestry's Role in Stewardship

Some current trends in churches ...

- **Operating costs are increasing**
- **Less money available for ministry**
- **Spending capital to pay current bills**
- **Clergy and staff poorly compensated**
- **Insurance Costs**

In many congregations...

- Stewardship gets treated as a second thought
- Money is demonized
- People don't understand *why* they give
- People focus on budgets rather than ministry & mission
- Disconnect between faith and money

What the vestry can do

- **Actively participate in stewardship activities**
- **Treat stewardship as mission and a *regular* ministry**
- **Lead by example with generous giving**
- **Create a healthy environment for discussing money**
- **Think “ministry and mission”, not “money and budget”!**
- **Focus on ministry accomplishments**





Thank you!



Know your “Why”

