

A LETTER OF AGREEMENT
between the Wardens and Vestry of

The Vestry and Church Wardens of the [Church Name and Location]

and

[clergy person's name]

who has been elected Rector with the understanding that this tenure is to continue until dissolved by mutual consent or by arbitration and decision as provided by the relevant Canons of the Diocese of Washington and of the General Convention.

The Rector shall lead [church] as pastor, priest and teacher sharing in the councils of this congregation and of the whole Church, in communion with our Bishop. By word and action, informed at all times by the Holy Scriptures, the Book of Common Prayer, and the Constitution and Canons of the General Convention and our Diocese, the Rector shall proclaim the Gospel, love and serve Christ's people, nourish them, and strengthen them to glorify God in this life and in the life to come.

The Vestry expects that the Rector will participate in the life and ministry of the Diocese of Washington and be present at diocesan gatherings. This time is considered to be part of the Rector's regular work. The Rector's work includes not only activities directed to the parish and its well-being, but also labors on behalf of the Diocese and the community. The extent and nature of this work will be reviewed during annual performance reviews.

Section A. Term

This agreement is for a leadership term of seven (7) years. At six-and-a-half (6.5) years, the vestry shall determine if it is in the best interest of the congregation to continue under the Rector's leadership. If that is the will of the vestry, the vestry and Rector will determine duration and terms of contract renewal.

Section B. Times of Work and Leave

The Rector's scheduled workweek is five days, usually measured as ten to twelve units of mornings, afternoons or evenings in various combinations reflecting the demands of this ministry. In general, no more than three evenings per week are expected. The Rector is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.

The Rector will have the following periods of leave at full compensation:

- a) National Holidays, to be taken so as not to interfere with worship for major occasions. When the Holiday is a workday (such as Sunday or other day of celebration) or the Holiday is on a specified day off, compensating time off should be taken. The National Holidays are: New Years Day, Martin Luther King Day, Monday of Easter Week, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day following Thanksgiving, Christmas Day, and two floating holidays designated by the rector at the beginning of the calendar year.
- b) One month Annual Vacation, consisting of twenty-three workdays, which shall include four Sundays. Two weeks of vacation may be taken after the first six months of service. No more than six days and one Sunday may be carried forward to a succeeding year.
- c) Three days leave post-Easter and post-Christmas.
- d) Professional Development Leave, at the rate of fourteen days per year; for continuing education, retreat and/or spiritual refreshment.
- e) Sick leave to provide reasonable absence for medical reasons but not to exceed an accrual of 1.5 days per month.
- f) The Rector may engage in reserve military service up to a total of 14 days per year, which shall not be counted against any leave time.

Section B. Professional and Spiritual Renewal

To support the rector in professional and spiritual renewal and if possible according to parish budget, the Vestry will:

- a) Three months of Sabbatical Leave will be available after the fifth year and every five years thereafter.
- b) Grant such leave with the understanding that clergy will not be absent from the parish for more than three consecutive months in any one year. Sabbatical leave is to be scheduled with parish leadership for a time that is not disruptive to parish life.
- c) Work with clergy to arrange sabbaticals in accordance with Diocesan policy, understanding that sabbatical is not an entitlement for time served, but rather an investment in future ministry and that the rector will return from any sabbatical to serve for a minimum of one full additional year and, normatively, for several more.

Section D. Wellness

It is understood that all costs for the following are included in the total compensation package.

To encourage and support the Rector in [his/her] physical, spiritual and mental health, the Vestry will:

- a) Encourage [him/her] to have an annual physical examination;
- b) Encourage [him/her] to make a three or four day annual retreat outside the diocese;

- c) Expect [him/her] to report quarterly to the Vestry the number of days [he/she] has taken for recreational, study and vacation time during that period;
- d) Expect [him/her] to participate in a professional support group of his choosing; and
- e) Encourage [him/her] to have a personal spiritual director.

The Senior Warden will consult with the Rector at least quarterly to see that the terms of this section are being met.

Section E. Compensation

The Rector's annual cash stipend will be \$[amount] plus \$[amount] housing allowance,

Compensation will be reviewed and adjusted annually in light of recommendations from the diocesan Clergy Compensation Committee and the current Diocesan minimum clergy stipend standard.

The Vestry shall pay the following benefits:

- (a) Church Pension Fund assessment on the sum of the Rector's total annual cash compensation (including housing allowance and utilities, as per the C.P.F. formula for clergy provided with a rectory)
- (b) Medical and dental insurance provided through the Diocesan group plan or its equivalent;
- (c) Group Life and Accidental Death and Dismemberment Insurance provided through the Diocesan group plan or its equivalent;

Section F. Expenses

The Vestry shall pay the following expenses incurred by the Rector in fulfilling the duties of office:

- a) Expense Allowance not to exceed [amount] with travel to be reimbursed at the current IRS rate per mile plus out-of-pocket costs of parking fees, tolls, transportation fares, etc. Also to be reimbursed in this allowance are other professional expenses including hospitality, professional dues, journals, books and other costs incurred in fulfilling the duties of the Rector's ministry.
- b) These expenses will be reimbursed monthly upon presentation of documentation under an accountable plan. The annual budget for these expenses will be reviewed against actual costs.
- c) The expenses of the church's office operation, such as telephone, postage, office equipment, supplies, secretarial services, etc. in accordance with the annual parish budget.
- d) The cost of a telephone in the rector's residence and cellular service. These telephone numbers shall be published to insure the rector's ready accessibility in case of emergencies. The rector shall pay the cost of all personal long distance calls.
- e) An Annual Continuing Education Allowance per the current diocesan guidelines, set aside January 1st each year in a special account, and paid on behalf of the Rector toward expenses

incurred in relation to Professional Development Leave. Unexpended portions of this allowance shall be allowed to accumulate for use in succeeding years up to six years.

- f) For clergy who live in church owned housing, a [amount] Equity Housing Allowance will be established and will be funded annually into a tax-deferred account. See the Active Clergy Guide for Equity Housing Allowance guidelines.

Section G. Discretionary Fund

In accordance with the Canons of General Convention, a Discretionary Fund is to be established for charitable purposes under the Rector's control, subject to annual audit without disclosure of beneficiaries. This is funded from gifts given to the church or the Rector for the purposes of the Discretionary Fund. Such gifts may be received at anytime or at baptisms, marriages and funerals. This shall be a parish account. This practice will be reviewed annually to evaluate its effectiveness both in terms of the needs of the Rector as well as the Wardens and Vestry.

Section H. Supplementary Compensation

The Rector shall not charge fees for performing any rites of the Church (for example, baptisms, marriages and funerals) for members of the Parish congregations. The Rector may, however, receive income from other sources, such as:

- Services on behalf of persons not in any way related to the congregation;
- Fees and honoraria for professional services performed on personal time for groups unrelated to the congregation, or
- For sermons, books or articles published outside the parish.

Section I. Use of Buildings

In addition to use and control of the Church and Parish buildings for the discharge of duties of the Rector's office, as provided by Canon law, the Rector shall have the right to grant use of the buildings to individuals or groups from outside the parish, following guidelines approved by the Rector, Wardens and Vestry.

Section J. Performance Review

- a) The Rector, Wardens, and, if desired, other members of the Vestry agree to meet annually to review the rector's performance.
- b) The Rector and Wardens agree that this annual discussion of the Rector's ministry of the Parish will
 - Provide the Rector with constructive feedback about performance in day to day and strategic ministries;
 - Establish goals for the Rector for the coming year, based on parish goals and needs;
 - Isolate areas of development.

Section K. Strategic Ministry Review

- a) The Rector, Wardens, Vestry, and, if desired, members of the Search Committee agree to meet approximately six months after the rector's arrival to reflect on the transition, focusing on ways all levels and types of leadership may enhance the success of shared ministry.
- b) The Rector and Vestry agree to an annual discussion of the mission and strategy of the Parish, in order to
 - Provide one another with constructive feedback about performance in day to day and strategic ministries;
 - Establish goals for the for the coming year, based on parish context and needs;
 - Isolate areas of conflict or disappointment and give them adequate attention so they don't adversely affect long-term ministry; and
 - Clarify expectations of all parties to facilitate parish planning and to put any conflicts in manageable form.

A mutually agreed upon third party may be engaged to facilitate the Strategic Ministry review.

Section L. Other Agreements

- a) All moving and travel expenses incurred in making the move from [location] to [location], shall be paid by the Vestry. Moving expenses shall include but not be limited to family travel and transporting household goods, not to exceed [amount].
- b) The moving date shall be in the week of _____. The Rector shall begin duties in the parish no later than _____, unless delayed by adverse circumstances.
- c) All pay and benefits shall become effective on _____.
- d) This Letter of Agreement when signed by all parties, and its related Position Description to be developed within six months, shall be made part of the minutes of the Vestry meeting following its signing, and copies shall be given to each new Vestry member.
- e) In the event of the Rector's death, the Vestry agrees to continue payment of the Rector's cash salary, and appropriate Medical Insurance to the Rector's surviving direct dependents for a period of two months. If the rector is living in the rectory, the surviving dependents may continue living in the rectory for up to six months.
- f) This letter may be revised only by mutual agreement, except that compensation and expenses revisions shall be mutually agreed upon in a separate budget process.
- g) If the Rector and the Vestry disagree concerning interpretation of this Letter of Agreement, either party may appeal for mediation to a mutually agreed upon third party, the Bishop remaining the final arbiter.

Rector _____ Date _____

Senior Warden _____ Date _____

Junior Warden _____ Date _____

Reviewed and approved by:

Approved: Bishop _____ Date: _____