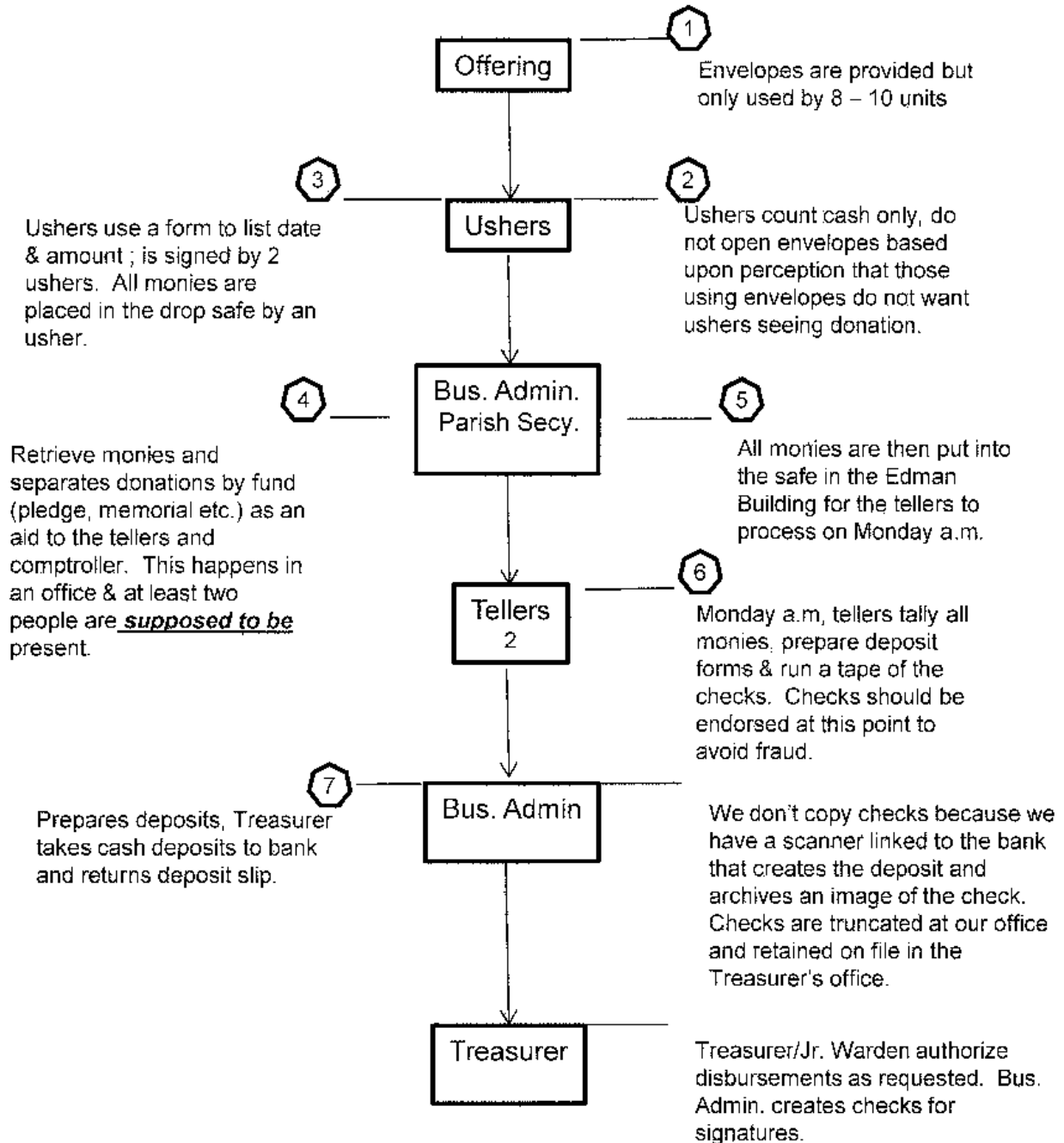


Church of the Holy Communion Accounting Flow



Separation of Duties:

Treasurer & Parish Secretary can sign checks and make deposits at the bank; neither can create checks or reconcile the books.

Business Administrator can create checks & reconcile the books but cannot sign checks or make deposits at the bank.

FINANCE COMMITTEE RESPONSIBILITIES

From the By-laws of CHC:

"This Committee shall report to the Vestry. This Committee shall prepare and present to the Vestry at its regular meetings, two before the Annual Meeting, a budget that will in turn be reviewed, and modified, as the Vestry shall see fit, and approved by the Vestry, for presentation to the Parish at the Annual Meeting. This committee shall prepare periodic reports to the Vestry about the financial condition of the Church. The committee shall also be responsible for making recommendations to the Vestry concerning investment of the monies of the Parish and the advisability of any special financial commitments the Parish is contemplating. It shall also make recommendations to the Vestry regarding information technology systems, communications systems, property insurance and Rector, Vestry, Officer and Finance Committee liability insurance and bonding, as necessary."

The committee shall meet monthly, and shall provide financial information to Vestry and make recommendations on financial matters. This committee should assure that at all times the church has a current copy of the CHURCH LAW AND COMPENSATION Guides. This committee is responsible for assuring that the CHC by-laws are followed regarding the bi-annual audits.

This committee shall work closely with the Treasurer, and they shall make known to this position the needs of the Vestry or of this Committee for information to be provided by the Comptroller. They shall monitor monthly the financial health of the parish. This committee is responsible for requesting and then providing the required information to our bankers, to vestry prior to the stewardship drive, and for handling the appropriate insurance coverage of all kinds.

REPORT OF THE COMMITTEE ON MINISTER'S SALARIES

Dear Brethren:

This report is limited to providing a yearly guideline concerning Minister's Salaries. For others matters pertaining to Parish Administration and salary guidelines, please consult the Diocesan Customary or contact the Diocesan office. A copy of the Customary may be obtained through the Diocesan Office or online at www.recdma.org.

While recognizing that individual parish capabilities and budgets differ, we still believe it is important to set minimum standards for which our congregations should strive concerning the salaries paid to ministers. This year, the suggested amounts remain unchanged from the 2018 report as the Compensation Handbook for Church Staff (Hammer) used to produce this report is received only every two years. However, the Part-Time table now reflects an average hourly rate that can be used in calculation with total work hours expected. This amount reflects a rounded hourly wage based on the same as a Full-time Assistant Priest working 40 hours.

These suggestions provide a rounded average based on number of members and total parish budget. **It is noted that these figures are the MINIMUM standards for the FIRST year of incumbency.** Additional consideration should be made for the cost of living for the region of your parish, the number of years of the pastor's experience, number of years of the pastor has served the parish, his degree level, and the job complexity (size of staff, oversight of preschool or day school, etc).

Rector (1st year of incumbency)

Members:	0 - 100 Members	101 - 300 Members	301 - 500 Members
Budget:	Under \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,00
Salary AVERAGE	\$51,000	\$71,500	\$85,000

Full-Time Assistant Priest

Members:	0 - 100 Members	101 - 300 Members	301 - 500 Members
Budget:	Under \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,00
Salary AVERAGE	\$43,000	\$53,000	\$61,500

Part Time Rector, Associate, Church Planter

Members:	0 - 100 Members	101 - 300 Members	301 - 500 Members
Budget:	Under \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,00
Salary AVERAGE	\$20 / hr 20 hrs / wk = \$20,800	\$25 / hr 20 hrs / wk = \$26,000	\$29 / hr 20 hrs / wk = \$30,160

The cash compensation represented includes compensation of ONLY Stipend AND Housing Allowance (or the value of the rectory, rectory allowances and utilities paid if a rectory is provided by the parish). This figure does not include the 7.65% extra self-employment tax that most pastors must pay (if the church does not pay it directly on their behalf). Total FICA (Social Security/Medicare Tax) is 15.3% but, in a normal business, the employer must pay 7.65% while the employee pays the other 7.65%. If the parish does not pay this, then pastors are responsible to pay the full 15.3%. This should be remembered when calculating total salary. *Example:* A person earning \$50,000 in the business world will only pay \$3,825 in FICA tax for a net salary of \$46,175. Clergy will pay an additional \$3,825 in tax resulting in a net salary of \$42,350. The church should consider increasing their stipend to help cover this extra tax.

These figures **do not** include fringe benefits, such as health insurance, disability, and life insurance. Nor does it include the Disability policy and defined Pension Contribution mandated by the General Council (12% of salary & housing combined). In no circumstance should a pastor's cash compensation be reduced to cover the cost of the General Council mandated pension program as this violates the terms of the Pension Program.

We recommend that clergy be given a minimum of four weeks paid vacation (including 4 Sundays) and one week of study leave. It is also recommended that pastors be remembered at Christmas time. The Vestry of each parish should determine to present a Christmas gift to the pastor. A special appeal should be made to the parishioners and a special offering taken. This gift should be over and above any approved salary.

The parish vestry should provide **an annual review of the pastor's compensation PACKAGE**. At the very least, a cost of living adjustment (COLA) commensurate with the rate of inflation should be provided. The Current Annual Inflation Rate Average in 2018 was 1.9% with expected inflation of 1.9% in 2019 and 2.1% in 2020 (source: Consumer Price Index). That means a pastor earning \$30,000 in 2018 would need a Cost of Living increase equal to \$570 in their 2019 salary just to remain consistent with the previous year. If a COLA is not provided then the pastor is, in effect, receiving a reduction in salary. Each parish is also reminded that the total Housing Allowance for a pastor must be approved by the Vestry of the parish prior to the allowances being paid.

In such cases when the pastor's compensation is below the above minimum guidelines or an increase could not be given at the beginning of the year, it would be most appropriate for the parish vestry to review the financial position of the parish more frequently and determine if increases can be provided to the pastor throughout the year.

Parishes should also be mindful of other expenses associated with the ministry of the pastor. Regular reimbursements for hospital parking, personal vehicle mileage (the current 2018 IRS rate for employees is \$0.58/mile), meals with parishioners, and other expenses should be made with accompanying receipts. Please note that mileage cannot be reimbursed on a per mile basis if the actual gas charges are submitted for reimbursement.

In closing, please know that most pastors will not initiate a conversation or direct the Vestry to consider their own compensation. If anything, pastors will simply live with 'whatever the parish can do for them' despite the impact to their own personal and family financial well-being. It should be the regular and normal duty of the Senior Warden to direct the Vestry in these matters and to help care for the pastor and his family. To help with this, we ask that you please provide a copy of this report to your parish Vestry.

Respectfully Submitted,

The Very Rev. Canon Jason R. Grote

HOUSING ALLOWANCE AUTHORIZATION FORM:

Any amount of compensation paid to an ordained person may be designated by the Vestry to be paid as housing allowance up to the dollar limits of the actual costs allowed in the calculations by the IRS or up to the total compensation paid by the church:

If you own your home: mortgage payments, utilities, repairs, furnishings, insurance, property taxes, additions and maintenance are eligible to count toward housing allowance.

If you rent your home: rental payments, furnishings, maintenance, utilities, and insurance are eligible to count toward housing allowance.

The amounts should be calculated by each ordained person for his particular situation and presented to the Vestry on this form as a request for that amount to be paid as housing allowance. It may be altered during the salary period, based on changes in any of the above factors. A new form is required every time that a new contract of employment is signed. It must be updated every time that the salary is changed, even if the above factors do not change.

Approval by Vestry will be reported back to the ordained person and reflected in the minutes of such meeting.

As an ordained minister at Church of the Holy Communion, I request that \$_____ of my monthly compensation for fiscal year CCYY be paid as housing allowance. This amount is not larger than I can substantiate to the IRS for the above kinds of expenses.

I understand that if these amounts or my employment contract change that I should provide a revised form.

Signed _____
Clergy (Fr. Name)

Dated _____

Approval voted by vestry at its meeting dated _____

Dated _____

Signed _____
Senior Warden

Dated _____