

**Diocese of New Jersey
Report of the Standing Committee on Constitution and Canons 2012**

Introduction

The Committee reviewed requests received from members of the diocese for changes in the constitution and canons of the diocese.

**Part I
Canon 62**

Diocesan Canon 62 (formerly 65) governs implementation of The Episcopal Church Canon III.9.13-21 on the dissolution of the pastoral relation between a parish and its rector. This Convention revised Canon 65 two years ago in light of extensive revisions to Episcopal Church Canons in 2009, and last year it was renumbered from 65 to 62. The Rev'd Elmer L. Sullivan last year proposed three changes to this canon, but due to his absence from Convention they were at his request referred back to the Committee. He has since advised the Committee that he withdraws these proposals, so the Committee is taking no further action on them. The above is reported for information only and not for action at this Convention.

**Part II
Canon 13 (Perfater)**

As reported two years ago, Charles Perfater, former Chief Financial Officer of the diocese, proposed an amendment to simplify Canon 13, governing the Trustees of Diocesan Trust Funds. The Committee believes that such an amendment of this canon may be worthwhile, but that additional information is needed before we can make a recommendation to the Convention. Three years ago, proposed Resolution 2009-6/7 was referred by Bishop Councill to the Finance and Budget Committee. The Finance and Budget Committee, in turn, appointed a Joint Task Force to investigate governing documents for the dozens of diocesan trust funds to determine who is responsible for overseeing them, how they should be operated, and the nature of any restrictions on expenditures. The Committee on Constitution and Canons has consulted with members of this Task Force and believes that their report would inform any proposal relating to simplifying Canon 13. The Joint Task Force's report, however, had not been completed as of the Committee's preparation of this Report and in any event had not been received by Convention. Accordingly, the Committee will continue hold Mr. Perfater's proposal in abeyance until the work of the Task Force is completed, and we expect to be able to report further to next year's Convention. In the meantime, Fr. Sullivan, who has consulted with the Joint Task Force, has proposed on their behalf some interim additions and corrections to Canon 13, which will be addressed in Part VI of this Report. The above is reported for information only and not for action at this Convention.

**Part III
Canon 16**

As reported two years ago, Diocesan Canon 16 governs congregational support of the diocese by the Fair Share Pledge. The Fair Share Askings are calculated upon the "Income Base" derived from each congregation's annual Parochial Report. The Committee had received a proposal from the Finance Committee of Christ Church, New Brunswick, to amend this definition.

This amendment was also one of the suggestions contained in the 2009 Report of the Diocesan Task Force on Restructure. The Committee understands that Diocesan Council, in consultation with the Treasurer and Chief Financial Officer of the Diocese, is reviewing the entire Fair Share Asking process and has yet to reach any recommendation for reforming it. Bishop Cuncill has asked the Committee to defer this single definitional proposal until such time as a more thorough revision of Canon 16 may be proposed. Accordingly, the Committee will defer this issue for another year and reconsider it at a later date. The above is reported for information only and not for action at this Convention.

Part IV Canons 46 through 57

Resolution 2011-1 called for a revision of Part IV of the Diocesan Canons, governing classifications of congregations:

Be it resolved, That this 227th Convention of the Diocese of New Jersey recognize that the canons currently governing classification of congregations and related aspects of clergy compensation do not serve the mission of the Diocese well in the present time; and be it

Further resolved, That this Convention direct the Board of Missions, the Committee on Classification of Congregations, the Standing Commission on Clerical Compensation, and the Standing Committee on Constitution and Canons, with the assistance of such other bodies and/or diocesan staff as they or the Bishop deem appropriate, to review the relevant issues and canons, and propose canonical revisions to the 228th Convention of the Diocese; and be it

Further resolved, That in the proposed revisions, the following be included among the criteria for the (re)classification of missions as independent parishes:

- That the congregation demonstrate the ability to manage its current and projected expenses and indebtedness (if any) without financial aid from the Diocese.
- That the congregation pay its Priest no less than the minimum compensation required under Canon 74, pro-rated, when appropriate, to the part-time nature of the position as agreed to by the Priest and Vestry of the congregation, and approved by the Bishop, the Bishop's designee, and/or an appropriate Diocesan body.
- That the congregation pay its full Fair Share Asking according to the formula approved by Diocesan Convention.

The Committee has as required by the resolution consulted with representatives of the Board of Missions, the Committee on Classification of Congregations, and the Standing Commission on Clerical Compensation, and has reviewed relevant canons of other dioceses in The Episcopal Church. Current classification canons refer to undefined entities (e.g., Unorganized Missions) and have extensively detailed categories for entities that no longer exist (e.g., Parochial Chapels, Plans A, B, and B(2)). Rather than attempting patchwork changes, the Committee, with the consent of these other bodies, is proposing a complete revision of all the classification canons.

Under the Committee's proposal, the number of classifications of congregations is reduced from thirteen to seven, without the former distinctions between missions with full or partial ministry or incorporated or unincorporated. The Cathedral is included as a class of congregations, as in most other dioceses, and its governing canon is moved from Part III of the canons (Committees, Commissions, Convocations and Collateral Agencies and Institutions of the Diocese) to Part IV.

The philosophy of parishes and missions, as confirmed by our review of other diocesan canons, is that parishes are financially self-sufficient congregations that can maintain the degree of independence that will allow them to have a Rector, who has canonical employment protection, and to own their own property. Missions, on the other hand, are essentially branch-offices of the Bishop of the Diocese: The priests heading them serve at the pleasure of the Bishop, and their buildings and other property are the property of the Diocese. Accordingly, parishes are allowed to form themselves into corporations (which can hold title to real estate); missions generally are not. The prior practice in this diocese has been to allow congregations to retain their corporate identity after they become unable to support themselves and become reclassified as missions and have no reason to own property. The proposal ends this anomaly.

Generally, the entire Part IV has been rewritten and reorganized, preserving portions of existing canons where possible. Some notable changes have been made. The Committee on Classification of Congregations, not previously recognized in canon, has been renamed the Committee on Congregational Life and given specific responsibilities. All provisions for reclassifying one type of congregation to another have been moved to one canon. In order to give more objective standards for considering whether a congregation should be accorded the independent status of a parish, Effective Ministry Standards, similar to those existing in several other dioceses, are stated in a separate canon that is used as a benchmark in determining reclassification. These Standards incorporate the provisions required by Resolution 2010-1.

In light of the extensive revisions from current canons, a detailed implementing resolution showing insertions and deletions would not be helpful; rather, the Committee is presenting the proposed Part IV as a substitution for existing Part IV of the canons, which can be found in the copy of current canons distributed at Diocesan Convention.

Accordingly, the Committee moves the following implementing resolution:

Implementing Resolution IV: *Resolved*, That Canon 38 and Canons 46 through 57 of the Canons of the Diocese of New Jersey be deleted and new Canons 46 through 60 be inserted as Part IV of such Canons, as follows:

PART IV – LOCAL CONGREGATIONS AND THEIR STRUCTURE

CANON 46

Classification of Congregations

SECTION 1. All Congregations which are a part of the Diocese of New Jersey shall be classified in one of the following categories:

1. The Cathedral
2. Parishes, including Associated Parishes
3. Missions
4. Chapels
 - a. Seasonal Chapels
 - b. Collegiate Chapels
 - c. Institutional Chapels
 - d. Parochial Chapels

Classification shall be determined in accordance with the provisions set forth in the Constitution and Canons of the Diocese. Each Congregation of the Diocese shall be governed in the manner provided in the Constitution and Canons of the Diocese for Congregations in its category.

SECTION 2. There shall be a Committee on Congregational Life appointed by the Bishop to consist of not fewer than six persons, including a Chair. It will be the responsibility of this Committee to assist the Ecclesiastical Authority in developing plans for the renewal and revitalization of congregations identified as being in need and in determining facts relevant to any change in the classification of a congregation. The Committee will submit to the Convention, annually and at least 30 days before the opening day of Convention, a list of proposed changes in the classification of congregations as approved by the Ecclesiastical Authority. Such changes in classification may be ratified as presented or adopted with amendment by the Convention. The determination of the Convention shall be final.

CANON 47

Boundaries

SECTION 1. The boundaries of a parish or a missionary cure shall be the limits as fixed by law of the municipality in which the parish or mission is located. If there be but one parish or mission within the limits of a municipality it shall be deemed the Cure of the member of the clergy having charge thereof. If there be two or more parishes or missions therein it shall be deemed the Cure of the members of the clergy having charge thereof. The Bishop may extend the boundaries of a parish or mission to include all or part of the municipalities adjacent to a parish or mission and adjacent to each other, provided there be no parish or mission already located in the adjacent municipality. A list of all such boundary extensions shall be printed annually in the Journal of the Diocese.

SECTION 2. All territory in the Diocese not included within the boundaries of a parish or mission by virtue of the provisions of Section 1 of this Canon shall be deemed to be the Cure of the Bishop of the Diocese.

SECTION 3. Members of the clergy in charge of or officiating in Seasonal Chapels, Collegiate Chapels, or Institutional Chapels shall not be deemed to hold a Cure in the Diocese or to have pastoral jurisdiction over any territory in the Diocese.

CANON 48

Erection of New Church Buildings

The erection of a church building or chapel on a new site must have the previous written consent of the Bishop acting with the advice and consent of the Standing Committee. Any application for the erecting of a church building or chapel on a new site shall be in writing and shall be sent to the Bishop, who shall forthwith lay the matter before the Standing Committee, and at the same time give notice by registered mail to the three Parishes whose houses of worship are nearest to the location of the proposed new building, that such application has been made and that any objections submitted to the Bishop in writing within thirty days after the date of

mailing the notice will be duly considered. After the expiration of said thirty days, the Standing Committee shall proceed to the consideration of the application and of any objections thereto and shall advise the Bishop of their conclusions. If approval be given, the Bishop may then give canonical consent in the following form:

The erection of a new Church or Chapel in the city (or town) of, County of to be known as Church (or Chapel), having been duly considered by the Standing Committee and approved by them, I do hereby give my canonical consent to the erection of said Church or Chapel.
Given under my hand this..... day of..... in the year of our Lord, two thousand

Bishop of New Jersey

Attest:

.....
Secretary of Standing Committee

CANON 49

The Cathedral

SECTION 1. Trinity Cathedral of the Diocese of New Jersey, situated at Trenton in the Diocese of New Jersey, is designated as The Cathedral of the Diocese, with the rights, powers, and privileges conferred upon it by law and by the Joint Consolidation Agreement entered into on the May 4, 1949, between the corporation known as The Cathedral Church of the Diocese of New Jersey and the parish corporation known as Trinity Cathedral in the Diocese of New Jersey, and by the Constitution and Bylaws of the Cathedral adopted pursuant to such Agreement.

SECTION 2. The governing body of Trinity Cathedral shall be a Chapter. The Chapter shall consist of the Bishop, who shall be the presiding officer; the Bishop Coadjutor, if there be one, the Suffragan Bishops, if there be any; the Archdeacons of the Diocese, if there be any; the Dean of the Cathedral; four presbyters and four lay persons elected by the Diocesan Convention for three-year terms; three members appointed in writing by the Bishop for three-year terms; the following members elected by and from the Cathedral congregation, namely, a Senior Warden and a Junior Warden each elected for two-year terms, and nine other lay persons elected for three-year terms; and a Treasurer and a Clerk elected by the Chapter.

SECTION 3. There shall be a Minor Chapter, within the Chapter, which shall have such powers and duties as provided by the Constitution and Bylaws of the Cathedral, and which shall consist of the Bishop, who shall be the presiding officer; the Dean of the Cathedral; the Junior and Senior Wardens; the nine lay persons elected by the Cathedral congregation; and the Treasurer and the Clerk.

SECTION 4. Members of the Chapter elected by the Convention may not be elected to succeed themselves, but may be reelected after the expiration of at least one year. The Treasurer shall be elected by the Chapter at its annual meeting, to hold office for one year and until a successor is elected. The Clerk shall be one of the members elected by the Cathedral congregation; the Clerk shall be elected by the Chapter at its annual meeting for such period as it may prescribe. Vacancies in

the Cathedral Chapter shall be filled as provided in the Constitution and Bylaws of the Cathedral.

SECTION 5. The Treasurer shall annually report to the Convention the condition of the affairs of the Cathedral committed to the Treasurer's charge.

CANON 50

Election of Church Officers in Parishes and Missions

SECTION 1. There shall be an annual meeting in every Parish for the election of officers, prayers having been said immediately before said meeting, and due notice having been given as required by law. Said meeting shall be held on a date which may be fixed at a regular or special meeting of the Congregation. There shall be an annual meeting for those Missions that elect officers, to be held also with opening prayers and upon like notice.

SECTION 2. The persons entitled to vote at such meetings must be:

- (a) baptized,
- (b) at least sixteen years of age,
- (c) of good moral character
- (d) adhering to The Episcopal Church and to no other religious body,
- (e) regular attendants at the services of the Church in said Parish or Mission,
- and
- (f) regular contributors to the current expenses of the Parish or Mission for six months next before the said annual meeting.

A record of the regular contributors for the support of the Parish or Mission shall be maintained by the Treasurer, with the dates of their contributions. Such records shall be sufficient evidence as to the qualification of a voter with respect to the last preceding requirement. Any voters not baptized in the Parish or Mission must have been enrolled as members in accordance with the provisions of the Canons of The Episcopal Church. Rectors, Vicars, or Wardens shall keep a list of all members of the Congregation who have been received as voters, which list shall be open to inspection by the members of the Congregation. No one shall be permitted to vote or be eligible to office in more than one Parish or Mission in this Diocese, although members of a Parish or Mission may be eligible also to vote or hold office in a Chapel.

SECTION 3. At said annual meeting the qualified voters shall elect by ballot, by a majority of the votes cast, to serve for the ensuing year, from among the voters in the Parish, three Deputies and three alternate Deputies to the Diocesan Convention, and a Warden or Wardens, who shall all be communicants in good standing; and also such other Vestrymembers or Mission Committee members, and such other officers as may be provided for by the Parish or Mission charter or bylaws, and six Representatives to the Convocation in which the Congregation is located, who shall all be communicants if such suitable for the office can be found.

SECTION 4. For the purposes of this Canon, the term "communicant" shall be as defined by the Constitution and Canons of The Episcopal Church.

SECTION 5. No provision of this Canon which may conflict with the Charter of any Parish shall have any force in such Parish.

See Revised Statutes of New Jersey, Sections 16:12–10 and –11

CANON 51

Duties of Rectors, Vicars, Wardens, and Vestrymembers or Mission Committee Members

SECTION 1. The Rector or Vicar has exclusive charge, under the Canons, of all things affecting the spiritual interests of the Parish, subject only to the Bishop. It is the Rector's or Vicar's duty to give orders concerning the worship of the Church, together with all that appertains thereto. The Rector or Vicar may from time to time appoint fit and proper persons to perform under his or her supervision, such duties relative to the service and the decoration of the church buildings as may be properly done by laity. The Rector or Vicar shall be at all times entitled to access to the church buildings, to open the same for public worship, for catechetical or other religious instruction, marriages, baptisms, funerals, and all other offices authorized by the Church. The Rector or Vicar shall have spiritual direction and control of all Sunday Schools, Parish Schools, and other educational and charitable associations connected with the Parish, and shall preside, with right to vote, at all Parish and Vestry meetings or Mission and Mission Committee meetings.

SECTION 2. It shall be the duty of the Wardens and Vestrymembers or members of the Mission Committee, under the Rector or Vicar, to protect the Church property, and to see that all things needed for the orderly worship of God, and for the administration of the Sacraments and Ordinances of the Church, be provided. It shall also be their duty to see that the funds of the Parish or Mission are expended properly, to provide for the maintenance of the Rector or Vicar, and in the case of a Parish to elect and call the Rector.

SECTION 3. All members of the congregation are responsible for the goals set forth in Canon 53 as implemented by Effective Ministry Standards.

See Revised Statutes of New Jersey, Sections 16:12–6, –7, and –9

CANON 52

The Calling of a Rector or an Assistant

SECTION 1. When a Parish is without a Rector, or Mission is without a Vicar, the Wardens or other proper officers shall promptly notify the Ecclesiastical Authority of the Diocese. If the authorities of the Parish or Mission shall for thirty days have failed to make provision for services of public worship, it shall be the duty of the Ecclesiastical Authority to take such measures as may be deemed expedient for the temporary conduct of public worship. After consultation with the Vestry or Mission Committee, the Bishop may appoint a priest to serve as Interim pending the election of a Rector or appointment of a Vicar, pursuant to the terms of a written agreement with the Parish or Mission.

SECTION 2. In the case of a Parish, no election of a Rector shall be had until the name of the Priest whom it is proposed to elect has been made known to the Ecclesiastical Authority of the Diocese, and sufficient time, not exceeding sixty days, has been given to the Ecclesiastical Authority to communicate with the Vestry thereon, nor until such communication, if made within that period, has been considered by the Vestry at a meeting duly called and held for that purpose. Written notice of the election, signed by the Wardens, shall be sent to the Ecclesiastical Authority of the Diocese. If the Ecclesiastical Authority be satisfied that the person so chosen is a duly qualified Priest and that the Priest has accepted the office, the notice shall be sent to the Secretary of the Convention, who shall record it. The record shall be sufficient evidence of the relation between the Priest and the Parish. The Bishop may submit to the Vestry the names of several clergy whom the Bishop considers suitable to be chosen as Rector. Rectors may have a letter of agreement with the Parish setting forth mutual responsibilities, subject to the Bishop's approval.

SECTION 3. After consultation with the Vestry, the Bishop may appoint a Priest to serve as Priest-in-Charge of any Congregation in which there is no Rector or Vicar. In such Congregations, the Priest-in-Charge shall exercise the duties of Rector or Vicar subject to the authority of the Bishop, pursuant to the terms of a written agreement with the Parish or Mission; Priests-in-Charge shall be eligible thereafter to serve as Rector or Vicar in such Congregation.

SECTION 4. All assistant clergy in a Parish, by whatever title they may be designated, shall be selected by the Rector, subject to the approval of the Vestry, and shall serve under the authority and direction of the Rector. Before the selection of an assistant, the name of the member of the clergy proposed for selection shall be made known to the Ecclesiastical Authority of the Diocese and sufficient time, not exceeding sixty days, shall be given for the Ecclesiastical Authority to communicate with the Rector and Vestry on the selection. Written notice of the selection of an assistant shall be sent forthwith to the Ecclesiastical Authority by the Rector and Wardens. Any assistant selected shall serve at the discretion of the Rector, but may not serve beyond the period of service of the Rector except that, pending the call of a new Rector, the assistant may continue in the service of the Parish if requested to do so by the Vestry of the Parish and under such conditions as the Ecclesiastical Authority and Vestry shall determine.

See Revised Statutes of New Jersey, Section 16:12-7

CANON 53

Parishes and Effective Ministry Standards

Each Parish of the Diocese is expected to be a congregation that cares for the spiritual and sacramental lives of its members and which, in justice and compassion, also reaches into its community and the world seeking Christ in all persons and proclaims the Gospel to those who are lost or have not heard. These are the responsibilities of all the members of the congregation, and not only its ordained and elected leadership. In discharging these responsibilities, each Parish of the Diocese is expected to meet the following standards of effective ministry ("Effective Ministry Standards"):

- a. Providing for the celebration of the Holy Eucharist as its principal act of public worship each Sunday;
- b. Presenting itself as a parish of this Diocese and of The Episcopal Church by conforming to the doctrine, discipline, and worship thereof and taking no action inconsistent therewith;
- c. Engaging in ministries of evangelism, service and advocacy in the surrounding community and beyond in ways appropriate to the resources of the congregation and needs of the world.
- d. Seeking and, once called, supporting a priest of The Episcopal Church as the Rector of the Parish;
- e. Welcoming the Bishop of New Jersey as its pastor in all matters, spiritual, sacramental and otherwise;
- f. Supporting the work of the Diocese by pledging and paying its annual Fair Share Pledge as a high priority within the budget of the parish and at the highest percentage of Fair Share Asking possible;
- g. Paying in a timely manner the minimum amounts of compensation required for the Rector and clerical and lay employees, including required expenses, health insurance premiums, and pension contributions;
- h. Maintaining insurances and paying the premiums thereof on buildings and properties of the parish, including fire and other casualty and liability as required by Convention or, if not so required, then as is reasonably prudent in the circumstances;
- i. Paying the operating expenses of the parish in a regular and timely manner without resorting to the invasion of endowment principal;
- j. Maintaining the structural integrity of parish buildings so as to permit their safe use by the parish;
- k. Otherwise conforming to the requirements of the Constitution and Canons of the Diocese of New Jersey, the Constitution and Canons of The Episcopal Church and the Statutes of the State of New Jersey in all respects, but including the holding of annual meetings, election of officers and Vestrymembers, maintaining parish records, and submitting all required Parochial Reports;

CANON 54

Associated Parishes

SECTION 1. When two or more Independent Parishes wish to share the services of a priest as Rector of both Parishes, they may make application to the Bishop. The application shall include resolutions passed by each Vestry, two-thirds of the members thereof concurring, stating:

- (a) That they wish to be associated with another Parish in sharing the services of a Rector,
 - (b) The name of the priest whom they propose to elect as Rector,
 - (c) An agreement specifying each Parish's share in the support of the Rector, and
 - (d) An agreement specifying how the Rector's services are to be shared.
- If the Bishop approves the application the Bishop shall obtain the written consent of the priest named in the application to serve as Rector under the conditions set forth in the application, and shall then forward the application together with the consent of the proposed Rector to the Standing Committee of the Diocese for its approval. If the Standing Committee approve the application, the Parishes in question shall be designated Associated Parishes and the election of the Rector may proceed without further notice.

SECTION 2. Each Associated Parish shall be entitled to representation in Convention by three Deputies and three Alternate Deputies, and in Convocation by six Representatives.

SECTION 3. If any Parish wishes to withdraw from an Associated Parish relationship, it shall first obtain the written consent of the Bishop and Standing Committee of the Diocese. Such consent may be conditioned upon the reclassification of one or more of the Parishes involved to Mission status.

SECTION 4. A Mission may enter into an Associated Parish relationship pursuant to the procedures of Section 1 of this Canon if it otherwise qualifies for Parish status and completes all procedures necessary for reclassification prior to the election of the rector of the Associated Parishes.

CANON 55

Missions

SECTION 1. (a) (i) The residents of any municipality who may desire the services of the Church may give notice of their desire to the Bishop of the Diocese, who may take such action as the Bishop may deem proper. If the Bishop approve, application shall be made in the following form:

To the Right Rev....., Bishop of New Jersey:

We, the undersigned residents of the town of....., County of....., Diocese of New Jersey, being desirous of obtaining the services of the Protestant Episcopal Church, do hereby request you to provide them for us as you think fit. For which benefits we do hereby agree to put ourselves under your charge, promising conformity to the Constitution, Canons, doctrine, discipline and worship of said Church, and to the Constitution and Canons of the Diocese of New Jersey, and in accordance with these obligations we are now desirous to be organized as a Mission, under the name of..... Mission..... and we hereby agree to provide the sum of \$..... at least, to support the budget of the Mission for the first year.

All the adults who are willing to become members of the Mission shall affix their signatures to the application, together with the sum each pledges for its support.

(ii) Alternatively, the Bishop may initiate the formation of a Mission at any time.

(b) The Bishop shall then give notice of the application to the three Parishes whose houses of worship are nearest to the location of the proposed Mission. If after thirty days from the giving of such notice, there is no objection on the part of the three nearest Parishes, the Bishop may then consent to the action proposed. If objections be made within thirty days, the Bishop shall lay the application and the objections before the Standing Committee, and if the Standing Committee approve, the Bishop may consent to the action proposed, which consent shall be submitted to the next Annual Convention of the Diocese by the Committee on Congregational Life for approval of the classification of such Mission.

SECTION 2.

(a) Following the Bishop's consent to the formation of the Mission, the Bishop shall appoint a Vicar, or pending the appointment of a member of the clergy a lay Pastoral Leader, who, subject to approval of the Bishop, shall appoint annually the following officers: A Warden, who shall be a communicant, a Treasurer, and a Secretary. If there be no Vicar or Pastoral Leader, the Bishop may appoint these officers.

(b) When the revenue, exclusive of all appropriations from outside sources, shall amount to more than \$25,000 per annum, said officers shall be elected annually by the voters of the Mission at an annual meeting of the Mission to be held on a date in the month of January, due notice of said meeting being given in the same manner as prescribed for parishes. The qualifications for voters shall be the same as those for voters in parish elections. The voters shall also adopt bylaws, subject to the approval of the Bishop, and shall elect Deputies, Alternate Deputies, and Representatives pursuant to the provisions of Canon 50, Section 3.

SECTION 3. The Warden, subject to the approval of the Vicar, shall provide a place of public worship; see that the same be kept clean and in good repair and furnished with all things necessary for conducting the services of the Church decently and in order. The Warden shall provide and if the Vicar be nonresident, shall have the custody of the Register required by Canon 73 but shall not make entries therein except by the Vicar's request unless there be no Vicar.

SECTION 4. The Treasurer shall receive all money contributed by the Mission and disburse the same as directed by the officers. The Treasurer shall report to the Bishop and the Board of Missions periodically as directed.

SECTION 5. The Secretary shall keep the minutes of all meetings and shall perform the normal duties of this office.

SECTION 6. The Vicar shall preside at all meeting of the officers with right to vote. The Vicar shall appoint the Sexton, Organist, Choir, Sunday School Superintendent and any other helper the Vicar may find necessary. If there be no Vicar, such appointment shall be made by the Warden, with the approval of the Bishop.

SECTION 7. The title to real estate, given to or purchased by the Mission for Church purposes, unless otherwise ordered by the members of the Diocesan Council, shall be vested in The Trustees of Church Property of the Diocese of New Jersey, to be held by them until such time as the said property may be sold pursuant to Section 9 of Canon 13, or until such time as the Mission shall become duly incorporated as a Parish and admitted into union with the Convention, when the title may be transferred to the Church corporation if it shall so elect.

SECTION 8. Each Mission shall report to the Board of Missions and to the Bishop through the Vicar, Pastoral Leader, or Secretary, as may be directed by the Bishop. Every member of the Mission is expected to pledge a definite sum for its support.

SECTION 9. When a Mission reaches a size large enough to warrant additional leadership, the Bishop may, with the consent of the Standing Committee, direct that it shall be organized with the following officers:

- (a) The Vicar, appointed by the Bishop
- (b) Two Wardens, who shall be elected in alternate years by the voters at the annual meeting for two-year terms
- (c) Three, six, or nine Mission Committee members, as the Bishop shall determine and as shall be set forth in the Mission's bylaws, who shall be elected by the voters at the annual meeting for three-year terms, one-third being elected each year
- (d) A Treasurer, elected annually by the officers
- (e) A Secretary, elected annually by the officers.

The duties of these officers shall be the same as those delineated in Sections 3, 4, and 5 of this Canon and, as regards the Mission Committee, Section 2 of Canon 51. The Bishop's directive, with the Standing Committee's consent, shall be in writing and shall be filed with the Mission and the Board of Missions, and the Mission bylaws shall be amended to conform to it.

SECTION 10. Upon the failure of a Mission to fulfill its purposes, the Bishop may withdraw the Vicar, and dissolve the organization.

See also: Constitution Article VI – Admission of New Parishes; Revised Statutes of New Jersey, Sections 16:12–1 to 12–2

CANON 56

Seasonal Chapels

SECTION 1. The temporary residents of any Summer Resort desiring to maintain regular services for a part of the year may give notice to the Bishop of the Diocese of their desire, who may take such action as the Bishop may deem proper. If the Bishop approves, application shall be made in the following form:

To the Rt. Rev....., Bishop of New Jersey:

We, the undersigned, temporary residents of the town of....., County of....., Diocese of New Jersey, being desirous of obtaining the services of The Episcopal Church, do hereby request you to provide them for us as you think fit. For which benefits we do hereby agree to put ourselves under your charge, promising

conformity to the Constitution, Canons, doctrine, discipline and worship of said Church, and to the Constitution and Canons of the Diocese of New Jersey. In accordance with these obligations we are now desirous to be recognized as a Seasonal Chapel under the name of..... Chapel,, and we agree to pay all expenses of the same. Furthermore, it is our wish that this Seasonal Chapel shall be regularly organized as a Mission under Canon 56 whenever in the judgment of the Bishop there shall be enough resident communicants in..... to warrant an all-year organization.

Respectfully your obedient servants,

This application should be signed by all the adults who propose to attend the services of the Seasonal Chapel, and the Bishop shall then take the same action as provided for in the Canons in regard to giving notice to the neighboring parishes as provided for in Canon 56, Section 1(b). The Bishop shall, at the Bishop's discretion, appoint clergy to supply for Chapel the services of the Episcopal Church in due season. No member of the clergy shall officiate at any service in a Chapel governed by the provisions of this Canon without the written consent of the Bishop; or, if there be no Bishop, of the Ecclesiastical Authority. After its formation, each Seasonal Chapel shall adopt bylaws in form subject to approval by the Bishop.

SECTION 2. There shall be an annual meeting of every such Congregation on the Monday after the first Sunday in August as may be determined by the bylaws of the Seasonal Chapel for the election of officers. Due notice shall be given of this meeting as required by law in the case of an annual Parish meeting. The voters shall be baptized communicants in good standing of The Episcopal Church at least sixteen years of age who are regular attendants at the services of the Seasonal Chapel and duly enrolled contributors to the current expenses.

(a) At the said annual meeting, the qualified voters shall elect by ballot by a majority of votes cast a Board of Trustees for the ensuing year from among the voters of the Seasonal Chapel. The number of said Board shall be three, six, or nine as determined by the bylaws, of whom one-third shall be elected annually to serve for three years. At the first election, one-third shall be elected for three years, one-third for two years, and one-third for one year.

(b) Any Congregation organized and operating under the provisions of this Canon may, at its annual meeting, elect from among its voting members a communicant in good standing of the Episcopal Church to be its representative to the Diocesan Convention. The representative shall be entitled to a seat and voice, but not a vote.

SECTION 3. Title to all real and personal property and endowment funds of a Seasonal Chapel, unless otherwise directed by the members of the Diocesan Council, shall be vested in the Trustees of Church Property of the Diocese of New Jersey.

SECTION 4. No baptism, confirmations, weddings, or funerals shall be conducted at a Seasonal Chapel without the written consent of the Bishop of the Diocese. Every Seasonal Chapel shall maintain a register as provided in Canon 73, but duplicate entry of every baptism, confirmation, wedding and funeral shall be made in the register of a neighboring Parish or Mission or in the register of the home Parish

or Mission of the person receiving the rite or sacrament, as the Bishop shall direct. The entry in the register of the Seasonal Chapel shall not be used for statistical reporting. Every Seasonal Chapel shall maintain a list of the families associated with the Chapel, including the names of the members thereof, and of all individuals not included as members of a family; but it shall not maintain an official communicant list or an official list of baptized members, or include in its annual report any membership statistics.

See also: Canon 47, Section 4

CANON 57

Collegiate Chapels

SECTION 1. At any institution of higher learning in this Diocese it shall be lawful for the Diocese to establish a college chaplaincy and center for ministry to college students and staff. Such establishments are to be made upon the recommendation of the Bishop and the approval of the Diocesan Council and, if financially supported by the William Alexander Procter Foundation, such Foundation. Chapels or other places of meeting or of worship established at such centers, and their congregations, shall have the status of "Chapels of the Diocese."

SECTION 2. There shall be an advisory committee for each Collegiate Chapel. The members of this committee shall be communicants of this Church in good standing. It shall be the duty of the advisory committee to care for the properties of the Chapel to which they are appointed, to make recommendations to the proper authority for needed repairs and improvements, to ascertain that the use of the Chapel is in accordance with the regulations of the local institution as well as those of the Diocese, and to assist the college chaplain in the furtherance of the church's work on the campus.

SECTION 3. There shall be for each Collegiate Chapel a Register as provided in Canon 73. The Chapel communicant register shall consist only of those persons who have been confirmed or received into The Episcopal Church at the Chapel. It shall be a special duty of the chaplain to seek to transfer such members upon their permanent departure from the institution.

SECTION 4. It shall be lawful for the college chaplain to organize from the faculty and student body of the institution to which the chaplain has been assigned such student vestries, choirs, auxiliaries, guilds and societies as the chaplain may think advisable for the furthering of the ministry of The Episcopal Church on the campus.

SECTION 5. Any Collegiate Chapel congregation operating under the provisions of this canon may elect from among its regular communicants a communicant in good standing of The Episcopal Church to be its deputy to the Diocesan Convention, who shall be entitled to seat, voice, and vote at Diocesan Convention. The chaplain and any member of the advisory committee shall certify the election of the deputy to the Secretary of Diocesan Convention.

SECTION 6. The chaplain and the advisory committee shall make annual reports to the Bishop of the Diocese in such form as the Bishop may direct.

See also: Canon 47, Section 4

CANON 58

Institutional Chapels

SECTION 1. Any educational, health-care, residential, or other institution within the Diocese may establish a Chapel to serve its attendees, residents, and staff. Any erection of a chapel building for Episcopal services must be approved pursuant to the provisions of Canon 48. The appointment of any full-time or part-time member of the clergy of The Episcopal Church to serve as Chaplain for such institution must be approved in writing by the Ecclesiastical Authority of the Diocese. The Chaplain shall make annual reports to the Bishop of the Diocese in such form as the Bishop may direct.

SECTION 2. Institutional Chapels shall have no lay representation in Diocesan Convention or in Convocations.

CANON 59

Parochial Chapels

SECTION 1. The establishment of a Parochial Chapel by a Parish must have the previous written consent of the Bishop acting with the advice and consent of the Standing Committee. An application for such purpose shall be in writing and shall be sent to the Bishop, who shall lay the matter before the Standing Committee, and at the same time give notice by registered or certified mail to the three Parishes whose houses of worship are nearest to the location of the proposed Parochial Chapel, that such application has been made and that any objections submitted to the Bishop in writing within thirty days after the date of mailing the notice will be duly considered. After the expiration of said thirty days, the Standing Committee shall proceed to the consideration of the application and of any objections thereto and shall advise the Bishop of their conclusions. If approval be given, the Bishop may then authorize the Parish to organize a Parochial Chapel upon such conditions as may be set forth in such approval. Upon the establishment of such a Parochial Chapel, the Parish shall cause a copy of a certificate of organization to be forwarded to the Bishop and to the Committee on Congregational Life, which shall report such establishment to the next Diocesan Convention.

SECTION 2. Unless otherwise provided in the conditions for approval of the Parochial Chapel, the member of the clergy in charge of a Parochial Chapel shall be appointed by the Rector with the consent of the Bishop, shall be subject to the direction of the Rector, and shall serve at the pleasure of the Rector. Title to property and funds allocated to a Parochial Chapel shall be held in the name of the parish, which shall be financially responsible for all operations of the Parochial Chapel. The Parish shall make annual reports to the Bishop of the Diocese with respect to the Parochial Chapel in such form as the Bishop may direct.

SECTION 3. Parochial Chapels shall have no lay representation in Diocesan Convention or in Convocations.

CANON 60

Reclassification

SECTION 1. (a) An existing Mission that seeks reclassification as a Parish must show that it has maintained Effective Ministry Standards for a period of three consecutive years without receiving financial support from the Diocese and must demonstrate the reasonable prospect that it will be able to continue to meet those standards and that it does and will be able to continue to pay its full Fair Share Asking according to the formula approved by Diocesan Convention. A congregation which seeks such reclassification will make a written application to the Bishop, signed by the Vicar and Secretary of the Mission and as many members of the congregation as possible, declaring that the prospective parish will: (1) at all times adhere to and observe the doctrine, discipline, and worship of The Episcopal Church existing at the time of its formation and as may thereafter be amended, and the laws of the State of New Jersey; (2) be subject to the spiritual jurisdiction of the Bishop of the Diocese of New Jersey, or in case of a division of the Diocese, to that of the Bishop within whose jurisdiction it may come; (3) apply as soon as possible after its incorporation for admission into union with the Convention of the Diocese, and become subject to the Constitution and Canons thereof; (4) pay its Rector no less than the canonical minimum salary and provide a rectory or other suitable living quarters; and, (5) hold all parish assets in trust in perpetuity for the Episcopal Church and the Diocese. The Mission shall also present such documents in support of the application as the Bishop may request. The Bishop shall then give notice of the application to the three Parishes whose houses of worship are nearest to the location of the Mission. If after thirty days from the giving of such notice, there is no objection on the part of the three nearest Parishes, the Bishop may then consent to the action proposed. If objections be made within thirty days, the Bishop shall lay the application and the objections before the Standing Committee, and if the Standing Committee approve, the Bishop may consent in writing to the formation of a parish corporation pursuant to statute, in the following form:

The reclassification from Mission to Parish in the city (or town) of,
County of to be known as Church, having been duly considered
by the Standing Committee and approved by them, I do hereby give my
canonical consent to the formation of said Parish and the incorporation thereof.
Given under my hand this..... day of..... in the year of our Lord, two thousand
.....

Bishop of New Jersey

Attest:

.....
Secretary of Standing Committee

(b) If the congregation seeking reclassification so requests, the Bishop, with the consent of the Standing Committee, may stipulate that for a fixed period of time the pastoral, spiritual and sacramental needs of the congregation will be met by the services of a priest working for a specified number of hours less than full time, with full compensation appropriate to such part-time service, subject to further review at the end of the period specified. Upon such review, the permission to maintain a

part-time rector may be continued for a further specified period, until such time as a full-time position may be justified, or until Section 2 of this Canon may become applicable.

(c) After receipt of the Bishop's consent for incorporation, the congregation shall take the steps necessary to incorporate pursuant to the procedures of the New Jersey Statutes applicable to Episcopal Parishes. Following incorporation and the election of wardens and vestrymembers, the Vicar may with the consent of the Bishop, to be confirmed in writing, be elected to continue as Rector of the new Parish notwithstanding any noncompliance with the prior-notice requirements of Sections 1 and 2 of Canon 52.

(d) Following incorporation, the new Parish shall apply for admission into union with the Convention of the Diocese as provided in Article VI of the Constitution and become subject to the Constitution and Canons thereof. Upon approval by the Diocesan Convention, the Mission shall be deemed reclassified as a Parish and shall thereafter be so reported by the Committee on Congregational Life.

SECTION 2. (a) If a Parish is unable or anticipates being unable to comply with the requirements set for Parishes by Article VI of the Constitution and Canon 53 for a period of six months, the elected leadership of the Parish shall so inform the Bishop. If it appears that the six-month period has passed and the elected leadership of the parish has not informed the Bishop, then the Rector of the Parish, the Canon to the Ordinary, if there be one, or the Committee on Congregational Life, on its own motion, may so inform the Bishop. In either such event the Bishop shall invite the Rector, Wardens, and Vestrymembers of the Parish to meet with the Bishop and the Committee on Congregational Life to discuss and formulate a plan to address the problem. If within 90 days of the Bishop's first being advised of the problem no plan can be agreed by all parties, or, if a plan is agreed but the Parish is unable to achieve Effective Ministry Standards within a period of twelve months after it is adopted, the Bishop may determine that the problem cannot be resolved and that the Parish is no longer viable and will so inform the Rector, Wardens, and Vestrymembers of the Parish concerned. The Committee on Congregational Life shall report the Bishop's findings to an annual or special Convention of the Diocese, together with the Bishop's recommendation that the parish be classified to the category of a Mission as governed by Canon 56. If the recommendation be adopted by the Convention, the Congregation shall be so classified and shall be subject to the Constitution and Canons of the Diocese which govern Congregations in such category.

(b) If the Rector, Wardens, and Vestrymembers of a Parish wish their Parish to be reclassified for any of the reasons given in Section 2(a) of this Canon, or when, after discussion initiated by the Bishop in accordance with Section 2(a) of this Canon, the Rector, Wardens, and Vestrymembers agree to such reclassification, they may make application to the Bishop in writing to be reclassified. The application shall be signed by a majority of all the current members of the Vestry. If the Bishop consents to the reclassification, the Bishop shall lay the matter before Standing Committee, and if it consents, the Bishop may forthwith reclassify the Parish as a Mission, and the Committee on Congregational Life shall report such reclassification to the next annual Convention of the Diocese. In such event, no further action by Convention shall be required to effect such reclassification.

(c) If the Vestry of a Parish fails to comply promptly with a judgment issued under canons relating to the Dissolution of the Pastoral Relation, the Bishop shall lay the matter before Standing Committee, with notice and opportunity for such Vestry to appear and be heard. If the Standing Committee consents, the Bishop may forthwith reclassify the Parish as a Mission, and the Committee on Congregational Life shall report such reclassification to the next annual Convention of the Diocese. In such event, no further action by Convention shall be required to effect such reclassification.

(d) When a Parish is reclassified as a Mission, the following changes will be made in its organization:

(i) The Rector shall relinquish the Rector's tenure. The appointment of a priest to be Vicar in charge of the Mission, who may be the former Rector, shall be by the Bishop. The Vicar shall serve without tenure. The Bishop may appoint a full-time or part-time vicar as the Bishop thinks best.

(ii) If the reclassification is to status of a Mission and was the result of a failure of the former Parish to conform to and obey the doctrine, discipline, and worship of The Episcopal Church and the Constitutions and Canons of the General Convention and of this Diocese, then the Bishop may forthwith appoint a Treasurer, Secretary, one or two Wardens, and Mission Committee members for the Mission in lieu of their being elected by the Congregation, until such time as the Bishop certifies in writing that the Mission is conforming to such doctrine, discipline, and worship and such Constitutions and Canons, after which the Congregation may elect such officers at its next annual or special meeting called for such purpose.

(iii) If the Bishop does not appoint new officers, the existing Treasurer and Wardens shall continue in office until their successors are elected or appointed, and the Clerk shall continue as the Secretary of the Mission and the Vestrymembers shall continue as members of the Mission Committee, until their successors are elected or appointed.

(iv) The appropriate corporate officers shall take such steps as required by law to consolidate the Parish corporation into the Trustees of Church Property, so that title to all real and personal property and endowment funds of the former Parish shall be transferred by operation of law to the Trustees of Church Property of the Diocese of New Jersey, to be held by them in trust for the purposes of the Diocese. The Trustees of Church Property have the discretion not to consent to any such consolidation; if they do not consent, the Parish officers must otherwise transfer such title to the Trustees of Church Property.

SECTION 3. A Parochial Chapel, or a Seasonal Chapel that provides services throughout the year, may apply to become a Mission by complying with the provisions of Canon 55, Section 1.

And be it further resolved, That Section 3 of Canon 62 be amended to read as follows (deletions shown by strikethrough, insertions by underline):

SECTION 3. If the Vestry fails to comply with the terms of a judgment as provided in Canon III.9.13(e)(2), this will be a violation of the Discipline of The Episcopal Church that can be grounds for reclassification as a ~~an Incorporated~~ Mission under Canon ~~53~~ 60(2)(c).

And be it further resolved, That existing Incorporated Missions shall comply with the provisions of Canon 60(2)(d)(iv) on or before December 31, 2013.

The Standing Committee on Constitution and Canons recommends the adoption of this implementing resolution.

Part V Canon 74

As noted as part of the report of the Commission on Clerical Compensation at last year's Convention, that Commission has conducted extensive reviews of the existing canon and annual salary grid form that it has recommended to Convention for many years, and has decided to move to a new system eliminating parish and mission Position Levels and using a new spreadsheet Clergy Compensation Chart in place of the Salary Grid used for many years. The current canon was written assuming it applied to the rector of a parish, with variations for clergy in other positions; the new proposal is more generally applicable in its wording. In the drafting process, the Commission, in extensive consultation with this Committee, has been able to streamline the text of the canon. Because of the changeover from the old form of the Salary Grid to the new Clergy Compensation Chart, the Commission will propose to use the Grid form for 2012 and implement the new Chart, assuming this proposed revision is approved by Convention, for 2013.

A text comparison between the current canon and the revised proposal is set forth in Appendix A to this Report. The Committee approves the changes in the organization of this canon. Accordingly, the Committee moves the following Implementing Resolution:

Implementing Resolution V: *Resolved*, That Canon 74 of the Diocese of New Jersey be deleted and replaced by the following text:

CANON 74

Minimum Compensation for Clergy

SECTION 1. Each parish and mission in the Diocese shall provide compensation for its rector, vicar, assistant, interim, or priest-in-charge in accordance with the provisions of this section. Terms of compensation shall be set forth in a letter of agreement, subject to the approval of the Bishop. Compensation shall include cash salary, housing, professional expense reimbursement, Social Security offset, and continuing education allowance, in accordance with the following subsections:

(a) Cash salary shall not be less than the applicable mandatory minimum for position category established in the Clergy Compensation Chart adopted by Diocesan Convention. The clergyperson may agree with the parish or mission to pay a specified portion of such cash salary into a tax deferred savings plan. All churches in the Diocese shall set the compensation for all

clergy employees according to a fiscal year that begins on January 1. The employment year for salary schedule purposes will be considered to begin on the 1st of January closest to the date the clergyperson's employment begins; provided, however, that all dates in July shall be considered closest to January 1st of the following year.

(b) Housing shall be provided in accordance with one of the following three alternatives:

(1) The parish or mission shall pay the clergyperson a housing allowance, not less than the minimum amount established by Diocesan Convention. This provision is intended to apply to situations in which the clergyperson owns a home as a primary residence. In special circumstances the clergyperson may make a written agreement with the parish or mission to accept a lesser amount for a given period of time, but all such agreements must be reviewed and approved in writing by the Standing Commission on Clerical Compensation.

(2) The parish or mission shall provide a rectory, pay the cost of utilities, repairs, and maintenance, and provide a housing equity plan for the clergyperson. As its share of the housing equity plan the parish or mission shall pay a sum not less than the amount set forth in the Clergy Compensation Chart per year into a tax deferred savings plan or other account specified by the clergyperson.

(3) The parish or mission shall rent suitable living quarters for the clergyperson and pay the cost of utilities. It may also provide a housing equity plan. When rented housing is provided in accordance with the provisions of this paragraph, the parish or mission shall, at the time when the member of the clergy is employed, make an agreement in writing with the member of the clergy stipulating the amount of the rent or rental allowance. A copy of the agreement shall be filed with the Commission on Clerical Compensation. This amount shall not be decreased by the parish or mission during the time that the member of the clergy remains employed by the church.

If alternative (1) of this subsection (b) is selected, the clergyperson may require the parish or mission to designate a portion of the cash salary as additional housing allowance in an amount specified by the clergyperson, but this additional housing allowance shall be applied to the requirement for cash salary provided for in subsection (a) of this section.

If alternative (2) or (3) of this subsection (b) is selected, the clergyperson may require the parish or mission to designate a portion of the cash salary as cash housing allowance in an amount specified by the clergyperson, but this cash housing allowance shall be applied to the requirement for cash salary provided for in subsection (a) of this section.

The foregoing requirements of this subsection (b) for housing or a housing allowance shall not apply to priests who are employed full-time as interim rectors or interim vicars or as assistant or associate clergy. The Congregation

and such priest shall negotiate a mutually-acceptable written agreement as to compensation, including any agreed-upon housing and/or housing allowance. A copy of the agreement, signed by both parties, shall be filed with the Commission on Clerical Compensation.

(c) The parish or mission shall pay the clergyperson a professional expense reimbursement in accordance with one of the following alternatives:

(1) The clergyperson shall submit periodically to the parish or mission treasurer an accounting of professional expenses incurred and shall be reimbursed for the amount billed; provided, however, that the total of the amount billed shall be in accordance with the amount set by the Clergy Compensation Chart or a higher negotiated amount.

(2) The parish or mission shall provide the clergyperson with an automobile for professional use and pay the cost of operating it. In addition, the clergyperson shall submit periodically to the parish or mission treasurer an accounting of other professional expenses incurred and shall be reimbursed for the amount billed.

(d) Social Security offset shall be one-half the clergyperson's Social Security Self Employment Tax on cash salary and housing provided by the parish or mission. If the clergyperson has taken the proper legal steps to be exempt from Social Security, the vestry shall pay the clergyperson an equivalent amount. The clergyperson may direct the vestry to pay all or part of this amount into a tax-deferred saving plan of the clergyperson's choice. The balance, if any, shall be paid to the clergyperson directly.

(e) The annual amount of continuing education allowance shall be not less than 3% of the minimum cash stipend for a newly ordained full-time Curate or Assistant as established in the Clergy Compensation Chart adopted by Diocesan Convention. The clergyperson is entitled to one week of leave time per year with full compensation for continuing education purposes. Both unused leave time and continuing education allowance may be accumulated for as much as seven years. Accumulated leave time and allowance are forfeited upon termination of the pastoral relationship. The leave time and allowance can be used by the clergyperson only in a continuing education pursuit approved by the vestry. If the vestry withholds approval, the clergyperson may appeal to the Standing Committee of the Diocese, and the decision of the Standing Committee shall be final and binding on all parties.

(f) The parish or mission shall pay medical, dental, and life insurance premiums to the extent provided in Canon 36.

SECTION 2. The standards for compensation of Vicars or Rectors who are employed full time as clergy with pastoral charge of more than one Congregation shall be those provided in Section 1 of this Canon. It shall be the joint responsibility of each of the Congregations and of the Board of Missions, if applicable, to see that the provisions of this Section are carried out.

SECTION 3. The standards of compensation for members of the clergy serving part-time for a Congregation in the Diocese shall be not be less than the mandatory minimum level established in the Clergy Compensation Chart for part-time clergy adopted by Diocesan Convention, based upon the clergyperson's Work Units. (A "Work Unit" is a block of time on the schedule of morning, afternoon, or evening blocks, consisting of two and a half to four hours per block. The assumption is that twelve Work Units is the standard for full-time employment.) The Congregation must pay a Social Security offset and, if the clergy person is not retired, a pension assessment. The amount of professional expense reimbursement and a continuing education allowance shall be prorated for the number of Work Units. Provision of a rectory or a housing allowance, medical, dental, and life insurance coverage, and continuing education leave are not mandatory though strongly recommended to be negotiated between the clergyperson and the Congregation. The Congregation shall enter into a written agreement with the clergyperson setting forth the number of Work Units required and other components of compensation, and a copy of the agreement shall be filed with the Commission on Clerical Compensation. Any proposed compensation below the mandatory minimums must have the written approval of the Standing Commission on Clerical Compensation.

SECTION 4. Upon request and with the written consent of the member of the clergy concerned, the Commission on Clerical Compensation may approve adjustments in the cash salary, housing allowance (if any), and professional expense reimbursement required by Sections 1 through 3 of this Canon if the total of these three items meets the appropriate minimum requirements in these three areas.

SECTION 5. The failure of any parish or mission to comply with the foregoing provisions of this Canon is a violation of Section 6 of Article II of the Constitution of the Diocese.

SECTION 6. The Standing Commission on Clerical Compensation shall annually review the all components of clerical compensation and offer its recommendations of changes, if any, to the parishes and missions by November 1 of each year, as follows:

(a) The Commission shall annually review provisions of Sections 1 and 3 of this Canon with regard to a Cost of Living Adjustment based on the Bureau of Labor Statistics Consumer Price Index for the Northeast United States for All Urban Consumers (not seasonally adjusted) for a 2-month average of August and September of such year compared with the same period of the prior year, and other compensation factors deemed appropriate by the Commission. The COLA shall be applicable to the clergyperson's current cash stipend, and subject to confirmation by Diocesan Convention.

(b) The Commission shall review the Clergy Compensation Chart in years divisible by three in order to adjust the minimum salaries of the position categories, housing equity or allowance, professional expense,

and continuing education expense as needed based on market and economic factors, such as COLA.

SECTION 7. All proposed changes in the level of insurance benefits provided for in Canon 36, Section 2 shall be submitted to the Commission on Clerical Compensation for its study, report and recommendations, if any, at least sixty days prior to the Convention at which they are to be considered.

See also: Canon 33 - Commission on Clerical Compensation

The Standing Committee on Constitution and Canons recommends the adoption of this implementing resolution.

Part VI

Canon 13 (Sullivan/Joint Task Force)

The Committee notes that, as previously reported for the last two years, and as noted above in Part II of this Report, as a result of the referral by Convention of Proposed resolution 2009-6/7 to the Finance and Budget Committee, a Joint Task Force was appointed by that Committee to review the corporate and historical status and operation of the various entities handling diocesan funds. In anticipation of the issuance of the final Task Force report, the Rev'd Elmer L. Sullivan has timely submitted to the Committee a series of proposed amendments to Canon 13, which have since been modified by the Committee on Constitution and Canons in consultation with representatives of the Task Force.

The Task Force has determined, and the Committee recognizes, that there are problems with some of the corporations named in Canon 13, ranging from nonfiling of charters to unfilled changes of corporate name, all of which it recommends to be cured by filing appropriate corporate papers by the Chancellor of the Diocese. The proposed revisions here contained do not attempt to make interim changes pending these corrections but maintains the names as they will continue. For the corporate funds that have not previously had a description in canon of their purpose or operations, the proposal supplies such a description. Appendix B to this report contains a text comparison between current canon and the proposed substitute.

As stated in Part II of this Report, the Committee intends to revisit this canon in the future with a mind to simplification as proposed by Canon Perfater. In the meantime, we are happy to be able to address the initial canonical issues identified by the Joint Task Force.

Accordingly, the Committee moves the following implementing resolution:

Implementing Resolution VI: *Resolved*, That Canon 13 of the Canons of the Diocese of New Jersey be deleted and a new Canon 13 be inserted as follows:

CANON 13

Trustees of Diocesan Trust Funds

SECTION 1. One board of six trustees consisting of the Bishop and five lay persons elected by Diocesan Convention shall serve as trustees of six trust funds of the Diocese. The corporate titles of these trust funds are: The

Trustees of the Episcopal Fund of the Diocese of New Jersey; The Trustees of the Aged and Infirm Clergy Fund of the Diocese of New Jersey; The Trustees of the Missionary Funds of the Diocese of New Jersey; The Trustees of Church Property of the Diocese of New Jersey; The Trustees of the Widows, Widowers, and Orphans of Clergy Fund of the Diocese of New Jersey; and The Trustees of the Venture in Mission Endowment Fund of the Diocese of New Jersey.

SECTION 2. Lay trustees shall at all times be communicants in good standing of a parish, mission, or other congregation of the Diocese of New Jersey. One lay trustee shall be elected at each annual Convention to serve for a five-year term. No trustee elected by the Convention for a full five-year term shall be eligible for reelection.

SECTION 3. Vacancies among the elected trustees created by death, resignation, removal, incapacity, or removal from the Diocese may be filled by the remaining trustees until the next annual meeting of the Convention, when a trustee shall be elected by the Convention to fill the unexpired term. Any elected trustees deemed negligent of their duties or unqualified to hold office may be removed by a vote of three elected trustees, the Bishop recommending or concurring.

SECTION 4. The Bishop shall be chair of the Board of Trustees. The Treasurer of the Diocese shall serve as treasurer of the funds named above.

The Board of Trustees shall meet at least once yearly, shall keep a minute book which shall clearly delineate their acts with respect to each of the said funds, and all their acts shall be entered as soon as adopted. These books, their books of account, and their securities, shall always be subject to inspection by the Bishop, the members of the Standing Committee and the members of the Finance and Budget Committee. Four trustees shall be a quorum, all having been cited to meet, and a majority of the quorum, duly convened, shall be competent to act.

No investment or reinvestment decision shall be executed unless approved at a duly convened meeting or approved in writing by a majority of the trustees, all of whom shall have been notified of the proposed action.

The disbursement of income and the disposition of property held in trust shall be subject to the conditions of the trust, or as directed by Canon or by resolution of the Convention.

SECTION 5. The trustees shall present to each annual meeting of the Convention separate reports of the various trusts under their control. These reports shall contain a detailed statement of the names and properties in each fund, with all additions and changes therein, including appropriations made therefrom.

The Trustees of the Missionary Funds of the Diocese of New Jersey

SECTION 6. The income of the Missionary Funds, where the conditions of the trust do not conflict, shall be paid to the Treasurer of the Diocese, to be applied to missionary purposes. The income of funds that are subject to conditions shall be applied only according to the tenor of those conditions.

The Trustees of the Aged and Infirm Clergy Fund of
the Diocese of New Jersey

SECTION 7. It shall be the duty of the Rector or Minister-in-Charge of every Parish or Mission to take an annual offering for the Fund for the Aged and Infirm Clergy.

The Trustees of the Fund shall report to the Bishop and to the Standing Committee at its December meeting in each year the amount available, or estimated to become available, for the following fiscal year.

Appropriations shall be made at the discretion of the Standing Committee upon the written recommendations of the Ecclesiastical Authority. Such appropriations shall be paid by the Trustees upon the order of the Standing Committee certified by its Secretary. In cases of extraordinary and urgent need, arising during the recess of the Standing Committee, the Secretary of the Committee is, on the written request of the Ecclesiastical Authority, authorized to issue an interim order for temporary relief, which shall be paid by the Trustees upon receipt of such order. Clergy must be canonically resident in the Diocese to be eligible for the benefits of the Fund.

The Trustees of the Widows, Widowers, and Orphans of Clergy Fund of the
Diocese of New Jersey

SECTION 8. It shall be the duty of the Rector or Minister-in-Charge of every Parish or Mission to take an annual offering for the Fund for the Relief of Widows, Widowers, and Orphans of Clergy in the Diocese.

The Trustees of the Fund shall report to the Bishop and to the Standing Committee at its December meeting in each year the amount available, or estimated to become available, for the following fiscal year.

Appropriation shall be made at the discretion of the Standing Committee upon the written recommendations for the Ecclesiastical Authority. Such appropriations shall be paid by the Trustees upon the order of the Standing Committee certified by its Secretary.

In case of extraordinary and urgent need, arising during the recess of the Standing Committee, the Secretary of the Committee is, on the written request of the Ecclesiastical Authority, authorized to issue an interim order for temporary relief, which shall be paid by the Trustees upon receipt of such order. The families of clergy who are canonically resident in the Diocese are eligible to the benefits of the Fund.

Upon the death of any member of the clergy canonically resident in the Diocese, the Trustees shall pay, if the Ecclesiastical Authority shall so order it in writing, a sum not exceeding one thousand dollars to the widow, widower or orphans of said member of the clergy as a death benefit.

The Trustees of Church Property of the Diocese of New Jersey

SECTION 9. The Trustees of Church Property shall have power to receive, hold, and dispose of all funds and other property that may be given, conveyed, or otherwise transferred to it in trust for any religious, charitable, or educational purpose connected with The Episcopal Church in the Diocese of New Jersey or with any congregation in the Diocese, to be held in trust for such Diocese or for such congregation. The disbursement of income and the disposition of property held in trust by the Trustees of Church Property shall be subject to the conditions of the trust or, if not so specified, as directed by canon or as directed by resolution of the Convention. If no express trust is contained in the instrument vesting title or possession in the Trustees of Church Property, or if the Trustees of Church Property shall become the owner of property of a dissolved parish or other church property, then they shall hold and dispose of such property as may be directed by resolution of the Convention.

The Trustees of the Episcopal Fund of the Diocese of New Jersey

SECTION 10. The income of trust funds vested in The Trustees of the Episcopal Fund, where the conditions of the trust do not otherwise provide, shall be paid to the Treasurer of the Diocese to be applied to the support of the episcopate through the diocesan budget.

The Trustees of the Venture in Mission Endowment Fund of the Diocese of New Jersey

SECTION 11. The Trustees of the Venture in Mission Endowment Fund shall receive and invest or reinvest the funds of this trust according to the standards of fiduciary management and in accordance with such requirements as may be set forth in the Constitution and Canons of the Episcopal Church and the Diocese of New Jersey.

After the final allocation of Venture in Mission Funds by the Convention in November 1984, the Principal of this Fund shall be inviolate and shall constitute a permanent endowment of this Diocese.

The income of this Fund shall be delivered periodically to the members of the Diocesan Council to be administered by them in a manner approved and directed by the Convention in support of the programs set forth in the Final Report of the Commission on Planning and Development and approved by the Convention on November 8, 1980, or such programs as may hereafter be authorized by the Convention for purposes consistent with the objectives set forth therein.

The Trustees shall retain the right to receive additional funds on account of principal at any time, and may, with the concurrence of the members of the Diocesan Council, convert to principal any portion of income not currently required for purposes of the Trust.

Sale and Conveyance of Title to Real Estate

SECTION 12. Where the title to real estate of a duly incorporated parish is vested in the Trustees of Church Property or the Trustees of the Episcopal Fund, such parish may apply, in writing, to the Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, to convey the title to such property to such corporation. Upon receipt of any such applications, and after due consideration, the Trustees of Church Property, or the Trustees of the Episcopal Fund, as the case may be, by a majority vote of such Trustees, is hereby authorized to convey the same; provided, however, that the application for such conveyance of title shall be made by the parish corporation; and provided, further, that no conveyance shall be made without the written consent of the Bishop and a majority of the Standing Committee.

Where the title to real estate of a mission is held by the Trustees of Church Property or the Trustees of the Episcopal Fund, the Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, by a majority vote of such Trustees, is hereby authorized to sell and convey the same upon request of the members of the Diocesan Council, and the proceeds of such sale shall be disposed of at the direction of the members of the Diocesan Council.

The Standing Committee on Constitution and Canons recommends the adoption of this implementing resolution.

Part VII New Canon 28

Fr. Sullivan has also timely proposed on behalf of the Joint Task Force, a new Canon 28 on Allocation of Bequests and Gifts, to be part of Part II - Administration and Finances of the Diocese. From time to time, various donors have given money, securities, or other personal property either to the Bishop, or to the Diocese, or to the Convention of the Diocese, and the Joint Task Force has found that in the past confusion has arisen from how such gifts are handled. Their first recommendation is that rules be established for allocating such gifts either to be applied to current diocesan need or to be held in trust to be administered either by the Diocesan Council or by the Trustees of Church Property, in any case always adhering to any conditions imposed by the donor by will or otherwise. This proposal would enact such rules into a new canon.

Fr. Sullivan's initial proposal has been modified by the Joint Task Force, and they agree to the modified text in lieu of the initial draft reviewed by the Committee on Constitution and Canons, which has been further modified after consultation between the two bodies.

Accordingly, the Committee moves the following implementing resolution:

Implementing Resolution VII: *Resolved*, That there be enacted a new Canon 28 of the Diocese of New Jersey, to read as follows;

Canon 28

Allocation of Bequests and Other Gifts

Section 1. Legacies and other gifts of money left to the Bishop of the Diocese of New Jersey with no designated purpose shall be deposited in an account named "The Bishop's Special Account". This money may be disbursed at the Bishop Diocesan's discretion for the work of the Church in the Diocese of New Jersey. Unless restricted by the donor, both the principal and any income from the account may be expended by the Bishop. This account shall not be considered a discretionary fund and shall not be subject to the standards set for clergy discretionary funds in the "Manual of Business Methods in Church Affairs."

All or part of the money in this Special Account may be transferred by the Bishop into one of the Bishop's Discretionary Fund accounts, in which case such funds shall thereafter be subject to the provisions governing clergy discretionary accounts. The Bishop shall promptly disclose to the Diocesan Council the amount of each such gift, whether it is being transferred to the Discretionary Fund account or retained in the Special Account, and if it is to be held for a specific purpose, the nature of such purpose.

The receipts and expenditures from this Special Account shall be reported annually to the Convention in a manner determined by the Treasurer of the Diocese in consultation with the Chief Financial Officer of the Diocese and approved by the Finance and Budget Committee and shall be subject to audit.

SECTION 2. Legacies and other gifts of money left to the Diocese of New Jersey or the Convention of the Diocese of New Jersey with no designated purpose shall be allocated in the following manner:

(a) Those valued at less than \$50,000 shall be deemed to be the property of the Diocesan Council and shall be put to such use or uses as the Council may think appropriate.

(b) Those valued at \$50,000 or more shall be placed by the Diocesan Council under the temporary custody of the Trustees of the Episcopal Fund with authority to invest the same. The Trustees of the Episcopal Fund shall work with the Ecclesiastical Authority, the Treasurer of the Diocese, the Chief Financial Officer, and the Diocesan Council to develop recommendations regarding the appropriate use of the money, and the Trustees of the Episcopal Fund shall present these recommendations to the Convention. Final allocation of the funds shall be made by a resolution of the Diocesan Convention.

The Diocesan Council and the Trustees of the Episcopal Fund shall make a detailed annual report to the Convention regarding such funds.

SECTION 3. Legacies and other gifts of money to the Diocese of New Jersey or the Convention of the Diocese of New Jersey for a specific designated purpose shall be allocated by the Diocesan Council to an existing or new trust to be administered either by the Diocesan Council or by the Trustees of Diocesan Trust Funds. The Diocesan Council shall make a detailed annual report to the Convention regarding all such allocations.

SECTION 4. Legacies and other gifts of securities or other personal property to the Bishop, the Convention, or the Diocese shall be allocated pursuant to the foregoing Sections of this Canon. The person or body responsible for allocating the gift shall promptly sell any securities (other than restricted securities) and allocate the proceeds of sale, or in the case of other personal property shall have discretion to determine whether to hold the property in kind for the designated purpose if any or to sell it and allocate the proceeds of sale.

The Standing Committee on Constitution and Canons recommends the adoption of this implementing resolution.

Part VIII

Canon 36

Fr. Sullivan, apart from any work of the Joint Task Force, has proposed amendments to Canon 36, governing the "Insurance Fund", in his words "to update the canon to comply with the Denominational Health Plan." He would amend Section 2 of Canon 36 (governing health insurance) by adding language to the end of the first sentence and inserting unnumbered paragraph breaks, so that the beginning of the section would read (the inserted language underlined):

The protection shall be such as that offered by such health insurance carriers as Blue Cross/ Blue Shield of New Jersey, the Episcopal Church Clergy and Employees' Benefit Trust, and the Delta Dental Program; or any similar organizations as may be approved by the Diocesan Convention; provided, however, that on and after January 1, 2013, the Diocese and every Episcopal employer subject to its authority shall participate in the Denominational Health Plan established by General Convention Resolution A177 in July, 2009, and Canon 1 . 8 . 1 of The Episcopal Church. The minimum employer funding requirement for all eligible clergy and lay employees health insurance coverage will be 100% of the premium cost of both employee and dependent coverage for whichever of the medical plan options offered by the Denominational Health Plan the eligible clergy and lay employees may choose. . . .

As noted in the Report of this Committee to the 2007 Diocesan Convention, the Insurance Committee of the Diocese had previously recognized that Canon 36 is not actually descriptive of the diocesan health insurance plan, since insurance premiums are paid directly by parishes and missions and not through any diocesan "fund". Following a change of chair of that Committee, it has not pursued the formulation of more accurate canonical language. Fr. Sullivan's proposal does not effect that but relies upon the inaccurate description in current canon.

Furthermore, following the 2009 General Convention, the Committee on Constitution and Canons had reviewed its legislation, including Resolution A177 directing implementation of a Denominational Health Plan, and had concluded at that time that no canonical changes would be required in order to provide for implementation of the Denominational Health Plan by this Dio-

cese. We are still not convinced that any such change is necessary, but we are concerned that this issue, and indeed the existing structure of Canon 36, be reviewed by the Insurance Committee to conform the language of canon to the actualities of diocesan health insurance implementation.

As to Fr. Sullivan's proposal, however, although it was timely received by this Committee more than sixty days prior to Convention under the provisions of Canon 75(1), there is a further requirement in Canon 74(7) that proposed amendments to the level of insurance benefits in Canon 36(2) be submitted for review upon the same deadline to the Commission on Clerical Compensation, which Fr. Sullivan failed to do. In the judgment of this Committee, the first part of Fr. Sullivan's proposed amendment, which references the Denominational Health Plan, would not require review by the Clerical Compensation Commission, the subsequent sentence, which specifies a percentage of premium cost to be paid by employers, would require such review, even though it purports to restate current practice. Accordingly, we submit that this latter part of his proposal cannot be considered by this Convention but ought to be referred to the Commission on Clerical Compensation and to the Insurance Committee for them to consider and report back, prior to sixty days before next year's Convention, to the Standing Committee on Constitution and Canons as to appropriate amendments to Canon 36.

Accordingly, the Committee moves the following implementing resolutions:

Implementing Resolution VIII-A: *Resolved*, That the first sentence of Section 2 of Canon 36 of the Canons of the Diocese of New Jersey be amended by inserting the following clause following the words "by the Diocesan Convention" and before the period:

; provided, however, that on and after January 1, 2013, the Diocese and every Episcopal employer subject to its authority shall participate in the Denominational Health Plan established by General Convention Resolution 2009-A177 and Canon I.8.1 of The Episcopal Church.

The Standing Committee on Constitution and Canons makes no recommendation as to the adoption of this implementing resolution.

Implementing Resolution VIII-B: *Resolved*, That the following sentence be inserted after the first sentence of Section 2 of Canon 36 of the Canons of the Diocese of New Jersey:

The minimum employer funding requirement for all eligible clergy and lay employees' health insurance coverage will be 100% of the premium cost of both employee and dependent coverage for whichever of the medical plan options offered by the Denominational Health Plan the eligible clergy and lay employees may choose.

The Standing Committee on Constitution and Canons requests that this implementing resolution be ruled out of order for consideration at this Convention and instead be referred to the Insurance Committee and the Commission on Clerical Compensation for their review and for resubmission, prior to sixty days before next year's Diocesan Convention, through the Standing Committee on Constitution and Canons.

Part IX
Canons 18 and 15

Current Canon 18 provides:

CANON 18

Audit Committee

SECTION 1. The Audit Committee of the Diocese shall consist of six members elected by Convention to serve three -year terms and two members appointed annually by the Diocesan Council, at least one of whom shall be appointed from among its members. There shall be three classes of elected members with two members being elected each year. After an elected member has served for two full consecutive terms, such elected member shall not be eligible for reelection until a year shall have passed. The Chair shall be appointed by the Ecclesiastical Authority from among the elected members. The Chief Financial Officer of the Diocese and other officers of the Diocese may be designated by the Bishop to assist the Audit Committee.

SECTION 2. The duties of the Audit Committee shall be to ensure that the financial management of all diocesan functions is performed in accordance with generally accepted accounting practices in the following ways:

- a. To prescribe the methods of accounting and record keeping of all such Boards, Trusts, Committees, Treasurers and Financial Officers of the Diocese, with power to summon them or any of them, or their auditors, with their books, records and securities for examination as to the conduct of their offices and the condition of the funds entrusted to them;
- b. To gather and review audits from all diocesan churches annually to ensure that fiscal management procedures are acceptable;
- c. To appoint auditors, as required under the canon on Accounts, for the audit of all diocesan accounts, funds and trusts and to gather and review the audit reports of all such accounts of the Diocese annually;
- d. To designate areas of financial management for internal audit as deemed necessary, and to prescribe the methods for the conduct of such internal audits;
- e. To advise the Bishop and other officers of the Diocese in financial and business matters when requested;
- f. To ensure that all funds and accounts of any diocesan or congregational entities, including discretionary accounts and funds, are audited annually;
- g. To report to the Convention annually the results of any internal and external audits conducted.

SECTION 3. The Audit Committee shall have power to employ counsel subject to the approval of the Ecclesiastical Authority in consultation with the Chancellor.

SECTION 4. The Audit Committee shall at all times comply with the provisions of Title I, Canon 7, Sections 1 and 2 of the Canons of the Episcopal Church.

Fr. Sullivan has also proposed that this canon be repealed, that the Audit Committee be eliminated, and that the substance of Canon 18, Section 2 be transferred to Canon 15, Section 2, setting forth the duties of the Finance and Budget Committee. His proposal is set forth in the following Implementing Resolution. He provides the following statement in support of this proposal, including references to background material:

It is now January of 2012 and the accounts of the Diocese have not been audited since 2008. According to TEC Canons all audit reports are due no later than September 1. The auditor's reports for 2009 are now 20 months overdue, and the auditor's reports for 2010 are now four months overdue.

Perhaps it is time for a change.

Before 1995, audits were a responsibility of the Finance Committee. A separate Audit Committee was created at the Diocesan Convention in November of 1995, together with many other changes in the administrative structure of the Diocese. It is apparent that the audit committee has now ceased to function effectively; thus, the proposal to reassign these duties back to the Finance and Budget Committee.

The Report of the Audit Committee to the 2011 Convention (see copy below) gives assurances that the 2009 audit reports will be ready in time for the March 2011 Convention and the 2010 audit reports will be available in May of 2011. The fact is, however, that no such audit reports have appeared as of January 2012.

Both of these audit reports are listed on the diocesan website for the 2011 Convention with the notation "(to come)" and an accompanying note promises them by March 31. Again, they have not been posted.

Excerpt from Audit Committee's Report to 2011 Convention: "Draft statements for the DNJ audit, which included the Auditor's unqualified opinion that the statements presented fairly in all material respects the financial position of the DNJ for both years presented, were reviewed and approved by the Audit Committee at its December 30, 2010 meeting. The BDF statements have also been drafted for review (also with an unqualified opinion), and the Committee expects both sets of statements to be finalized and authorized for publication in time for this Convention. The Committee and the CFO have committed themselves to the goal of finalizing the audit of the 2010 DNJ and BDF statements prior to the canonical deadline of September 1, 2011. To that end, we expect to perform the audit during May, 2011, and expect to once again engage both Mercaden and Milliman, contingent upon negotiating satisfactory terms of engagement."

Canon Phyllis Jones advised the Committee that Fr. Sullivan's statements about the accounts of the Diocese not being audited since 2008 are inaccurate and misleading. She claims that the degree of investigation by the auditors (and actuaries) into the 2009 and 2010 diocesan records far exceeds what has been done for many, many years. The 2009 draft audit report included our first clean audit opinion in over a decade, and has now been issued in final form. The 2010 audit fieldwork has been completed, and she expects that draft report within the first quarter of this year. It is because of the degree of investigation, instigated mostly by her in an attempt to

have the audits be complete and accurate, that the auditors have had to re-visit the statements time and time again as new information which should have been included in prior years has come to light. She states that she is more than willing to stand up and take responsibility for the delay and respond to anyone who has concerns about it.

As a result, she claims, the Audit Committee is probably in a position to function more effectively now than ever before. Its members have been apprised of the reasons for the delay and have been patient, appreciating the necessity of the work. They have responsibilities extending into accounting and internal control technicalities which are much more specialized than the responsibilities of the Finance and Budget Committee. Further, their assistance in implementing a better system of support, compliance and monitoring for congregational audits is critical to the success of that initiative, scheduled to start after convention. To abolish the Audit Committee because we're finally enabling it to do its work would be a serious, reactionary mistake.

The Committee on Constitution and Canons agrees with the explanation of Chief Financial Officer Jones and sees no reason to disband the Audit Committee because its work has had to be reopened, causing delays in issuing its final reports. We do not see such delays as reason to disband the Committee. Accordingly, the Committee moves the following resolution:

Implementing Resolution IX: *Resolved*, That Canon 18 of the Diocese of New Jersey be deleted;

And be it further resolved, That Section 2 of Canon 15 of the Diocese of New Jersey be amended to add, following subparagraph (e), the following text:

- (f) To ensure that the financial management of all diocesan functions is performed in accordance with generally accepted accounting practices;
- (g) To prescribe the methods of accounting and record keeping of all such Boards, Trusts, Committees, Treasurers and Financial Officers of the Diocese, with power to summon them or any of them, or their auditors, with their books, records and securities for examination as to the conduct of their offices and the condition of the funds entrusted to them;
- (h) To appoint auditors, as required under the canon on Accounts, for the audit of all diocesan accounts, funds and trusts and to gather and review the audit reports of all such accounts of the Diocese annually;
- (I) To designate areas of financial management for internal audit as deemed necessary, and to prescribe the methods for the conduct of such internal audits;
- (j) To ensure that all funds and accounts of any diocesan or congregational entities, including discretionary accounts and funds, are audited annually;
- (k) To report to the Convention annually the results of any Internal and external audits conducted.

*The Standing Committee on Constitution and Canons recommends **against** the adoption of this implementing resolution.*

Part X
Canon 13

Finally, Fr. Sullivan has proposed adding the following to the section of Canon 13 that deals with holding property by the Trustees of Church Property:

Where the title to real estate of a congregation that was classified as an Incorporated Mission on January 1, 2012, is vested in the Trustees of Church Property or the Trustees of the Episcopal Fund, said property shall be held in trust for that congregation. The Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, may sell or convey the same only with the written consent of the vestry or governing body of the local congregation for whom said property is held in trust, and the proceeds of such sale shall either be conveyed to the vestry or governing body of the local congregation or held in trust for said congregation by the Trustees of Church Property, and all income from said trust shall be paid to the vestry or governing body of the congregation.

Provided, however, that if such a local congregation is declared extinct by the Diocesan Convention in accordance with the provisions of RSNJ 16: 12-16, all property of said church shall vest in the Trustees of Church Property, in trust, until such time as the Convention shall direct the use to which the property and the income therefrom and the proceeds of any sale thereof shall be applied, in accordance with the provisions of RSNJ 16: 12-16.

Fr. Sullivan's statement in support of this is as follows:

The purpose of this proposed amendment is to prevent the Trustees of Church Property from confiscating the property of the 30 churches now classified as Incorporated Missions by transferring title to all of their real and personal property and endowment funds to the Trustees of Church Property so that it may thereafter be held by them in trust for the purposes of the Diocese.

The amendment is a response both to a proposed sweeping canonical change as well as to a current practice that is based on a misreading of diocesan canons.

The amendment clarifies the present provisions of Diocesan Canons and New Jersey Law that provide one, and only one, way that the property of an incorporated congregation may be taken away - that is by a declaration of the Convention in accordance with RSNJ 16: 12-16 that the congregation is extinct. State law clearly provides that in such cases Convention and Convention alone can direct the use to which such property may be put.

Fr. Sullivan's concern about "confiscating" overlooks the import of current Canon 53, Section 5, governing Parishes that are reclassified to Incorporated Missions: "Title to all real and personal property and endowment funds of an Incorporated Mission, unless otherwise directed by the Diocesan Council, shall be transferred to the Trustees of Church Property of the Diocese of New Jersey, to be held by them in trust until such time as the Incorporated Mission may be reclassified." This provision assumes that a congregation reclassified from Parish to Mission will eventually regain Parish status. This often, however, is not the case.

As set forth in Part IV of this Report, the polity of The Episcopal Church is that mission churches are a venture of the Diocese, and their clergy and their property are under the control of the Bishop Diocesan and not their local congregational government. This philosophy does not change in the case of a congregation that was formerly classified as an independent parish. Consequently, it is an error to presume, as Fr. Sullivan's proposal does, that the Trustees of Church Property would hold property of any mission in trust for that mission's "congregation"; rather, it should hold it in trust for the Diocese for the mission purposes of the Diocese as a whole.

The provisions of New Jersey Revised Statutes § 16:12–16 by its terms relate to dealing with the property of extinct parishes that have also been incorporated. The Committee believes that it would not serve the purposes of the Diocese, nor of the statutory scheme, to extend these same provisions to non-independent congregations such as missions or chapels.

Accordingly, the Committee moves the following resolution (the section numbering assumes the passage of Implementing Resolution VI; if such Implementing Resolution is not passed, the section reference in the following Implementing Resolution should be 9 instead of 12):

Implementing Resolution X: *Resolved*, That Section 12 of Canon 13 of the Diocese of New Jersey be amended to add an unnumbered paragraph at the end of such Section, to read:

Where the title to real estate of a congregation that was classified as an Incorporated Mission on January 1, 2012 is vested in the Trustees of Church Property, said property shall be held in trust for that congregation. The Trustees of Church Property may sell or convey the same only with the written consent of the vestry or governing body of the local congregation for whom said property is held in trust, and the proceeds of such sale shall either be conveyed to the vestry or governing body of the local congregation or held in trust for said congregation by the Trustees of Church Property, and all income from said trust shall be paid to the vestry or governing body of the congregation; *provided, however*, that if such congregation is declared extinct by the Diocesan Convention in accordance with the provisions of statute, all property of said church shall vest in the Trustees of Church Property, in trust, until such time as the Convention shall direct the use to which the property and the income therefrom and the proceeds of any sale thereof shall be applied, in accordance with the provisions of Section 16:12–16 of the Revised Statutes of New Jersey.

*The Standing Committee on Constitution and Canons recommends **against** the adoption of this implementing resolution.*

Conclusion

The Committee has received no further proposals for consideration this year. The Committee reminds members of Convention that proposals for amendments to the constitution or canons must be submitted to the Committee at least sixty days prior to the opening day of the next convention, or by around the end of December 2012 or beginning of January 2013.

The Committee, however, has been meeting throughout the year addressing issues deferred from prior years and issues referred to it by prior Conventions' resolutions. Addressing new issues that arrive on our desk only in January imposes a heavy burden on the Committee.

Accordingly, the Committee requests that requests for canonical amendments be submitted even earlier, preferably by November 15. Some members of the Committee have contemplated a canonical change to Canon 75 to require an earlier submission deadline. We would appreciate voluntary compliance with our request.

The Committee does appreciate the input it receives from other diocesan bodies within the areas of their expertise. The Committee also notes that Paul De Sarno, Esq., is completing his current term on the Committee, although he is standing for reelection; we thank him for his service to date to the Committee.

Respectfully submitted,

The Reverend Terence Blackburn
The Reverend Dr. John P. Mitchell, Vice-Chair
Paul De Sarno, Esq., Secretary
Richard Peirce, Esq.
Paul Ambos, Esq., Chair

APPENDIX A Text Comparison for Part V of Report

The following comparison shows the text of current Canon 74 compared to the new proposal (which appears more clearly in the implementing resolution) with deletions shown by strike-through and insertions in bold double-underline:

CANON 74

Minimum Compensation for Clergy

~~SECTION 1. All parishes and missions in the Diocese employing a priest full time shall be classified, for salary purposes only, into Position Levels by the Standing Commission on Clerical Compensation in a manner approved by the Convention of the Diocese. The classification shall be reported to each Convention of the Diocese and shall be published in the Journal of the Diocese. The Commission on Clerical Compensation, in accordance with the formula approved by Convention, may make annual adjustments in the classification as seem appropriate. A complete review of the classifications shall be made in each calendar year which is divisible by five. A vestry, a mission committee or a member of the clergy may request the Commission on Clerical Compensation to reconsider the Position Level assigned to their church. If either is not satisfied with the decision of the Commission on Clerical Compensation, the matter may be appealed to the Standing Committee of the Diocese, whose decision shall be final.~~

~~SECTION 2. In accordance with the provisions of Canon I.7.1(j) of The Episcopal Church, all churches in the Diocese shall set the compensation for all clergy employees according to a fiscal year that begins on January 1.~~
~~SECTION 3. Every independent parish~~
Each parish and mission in the Diocese shall provide compensation for its rector, **vicar, assistant, interim, or priest-in-charge** in accordance with the provisions of this section. **Terms of compensation shall be set forth in a letter of**

agreement, subject to the approval of the Bishop. Compensation shall include cash salary, housing, professional expense reimbursement, Social Security offset, and continuing education allowance, in accordance with the following ~~provisions~~subsec-
tions:

(a) Cash salary shall not be less than the applicable mandatory minimum level ~~for position category~~ established in the Salary Schedule Clergy Compensation Chart adopted annually by Diocesan Convention. The rector's term of office, clergy-person may agree with the parish or mission to pay a specified portion of such cash salary into a tax deferred savings plan. All churches in the Diocese shall set the compensation for all clergy employees according to a fiscal year that begins on January 1. The employment year for salary schedule purposes, will be considered to begin on the 1st of January closest to the date the rector clergy person's employment begins; provided, however, that all dates in July shall be considered closest to January 1st of the following year.

(b) Housing shall be provided in accordance with one of the following three alternatives:

(1) The parish or mission shall pay the rector clergy person a housing allowance, not less than the minimum amount established ~~annually~~ by Diocesan Convention. This provision is intended to apply to situations in which the rector clergy person owns a home as a primary residence. In special circumstances the rector clergy person may make a written agreement with the ~~vestry~~ parish or mission to accept a lesser amount for a given period of time, but all such agreements must be reviewed and approved in writing by the Standing Commission on Clerical Compensation.

(2)(i) The parish or mission shall provide a rectory, pay the cost of utilities, repairs, and maintenance, and provide a housing equity plan for the rector clergy-person. As its share of the housing equity plan the parish or mission shall pay a sum not less than the amount set forth in the Salary Schedule Clergy Compensation Chart per year into a tax deferred savings plan ~~for the rector~~ or other account specified by the clergy person.

~~—(ii) In addition, the rector may require the vestry to reduce the rector's cash salary by an amount specified by the rector and to pay this amount into the tax deferred savings plan as the rector's share of the housing equity plan; but the rector's share shall be applied to the requirement for cash salary provided for in paragraph (a) of this section.~~

(3) The parish or mission shall rent suitable living quarters for the rector clergy person and pay the cost of utilities. It may also provide a housing equity plan. When rented housing is provided in accordance with the provisions of this paragraph, the ~~vestry~~ parish or church officers mission shall, at the time when the member of the clergy is employed, make an agreement in writing with the member of the clergy stipulating the amount of the rent or rental allowance. A copy of the agreement shall be filed with the Commission on Clerical Compensation. This amount shall not be decreased by the ~~vestry~~ parish or church officers mission during the time that the member of the clergy remains employed by the church.

If alternative (1) of this subsection (b) is selected, the ~~rector~~clergyperson may require the ~~vestry~~parish or mission to designate a portion of the cash salary as additional housing allowance in an amount specified by the ~~rector~~clergyperson, but this additional housing allowance shall be applied to the requirement for cash salary provided for in subsection (a) of this section.

If alternative (2) or (3) of this subsection (b) is selected, the ~~rector~~clergyperson may require the ~~vestry~~parish or mission to designate a portion of the cash salary as cash housing allowance in an amount specified by the ~~rector~~clergyperson, but this cash housing allowance shall be applied to the requirement for cash salary provided for in subsection (a) of this section.

The foregoing requirements of this subsection (b) for housing or a housing allowance shall not apply to priests who are employed full-time as interim rectors or interim vicars or as assistant or associate clergy. The Congregation and such priest shall negotiate a mutually-acceptable written agreement as to compensation, including any agreed-upon housing and/or housing allowance. A copy of the agreement, signed by both parties, shall be filed with the Commission on Clerical Compensation.

(c) The parish or mission shall pay the ~~rector~~clergyperson a professional expense reimbursement in accordance with one of the following alternatives:

(1) The ~~rector~~clergyperson shall submit periodically to the parish or mission treasurer an accounting of professional expenses incurred and shall be reimbursed for the amount billed; provided, however, that the total of the amount billed shall ~~not exceed \$4,500 per year unless the vestry shall agree to a larger sum.~~ **be in accordance with the amount set by the Clergy Compensation Chart or a higher negotiated amount.**

(2) The parish or mission shall provide the ~~rector~~clergyperson with an automobile for professional use and pay the cost of operating it. In addition, the ~~rector~~clergyperson shall submit periodically to the parish or mission treasurer an accounting of other professional expenses incurred and shall be reimbursed for the amount billed.

(d) Social Security offset shall be one-half the ~~rector~~clergyperson's Social Security Self Employment Tax on cash salary and housing provided by the parish or mission. If the ~~rector~~clergyperson has taken the proper legal steps to be exempt from Social Security, the vestry shall pay the ~~rector~~clergyperson an equivalent amount. The ~~rector~~clergyperson may direct the vestry to pay all or part of this amount into a tax-deferred saving plan of the ~~rector~~clergyperson's choice. The balance, if any, shall be paid to the ~~rector~~clergyperson directly.

(e) The annual amount of continuing education allowance shall be not less than 3% of the minimum starting salary for Level ~~1~~**cash stipend for a newly ordained full-time Curate or Assistant** as established in the Salary Schedule **Clergy Compensation Chart** adopted annually by Diocesan Convention. The ~~rector~~clergyperson is entitled to one week of leave time per year with full compensation for continuing education purposes. Both **unused** leave time and continuing education allowance may be accumulated for as much as seven years. Accumulated leave time and allowance are forfeited upon termination of the pastoral relationship. The leave time and allowance can be

used by the ~~rector~~clergyperson only in a continuing education pursuit approved by the vestry. If the vestry withholds approval, the ~~rector~~clergyperson may appeal to the Standing Committee of the Diocese, and the decision of the Standing Committee shall be final and binding on all parties.

(f) The parish or mission shall pay medical, dental, and life insurance premiums to the extent provided in Canon 36.

SECTION 2. The standards for compensation of Vicars or Rectors who are employed full time as clergy with pastoral charge of more than one Congregation shall be those provided in Section 1 of this Canon. It shall be the joint responsibility of each of the Congregations and of the Board of Missions, if applicable, to see that the provisions of this Section are carried out.

SECTION 3. The standards of compensation for members of the clergy serving part-time for a Congregation in the Diocese shall be not be less than the mandatory minimum level established in the Clergy Compensation Chart for part-time clergy adopted by Diocesan Convention, based upon the clergyperson's Work Units. (A "Work Unit" is a block of time on the schedule of morning, afternoon, or evening blocks, consisting of two and a half to four hours per block. The assumption is that twelve Work Units is the standard for full-time employment.) The Congregation must pay a Social Security offset and, if the clergy person is not retired, a pension assessment. The amount of professional expense reimbursement and a continuing education allowance shall be prorated for the number of Work Units. Provision of a rectory or a housing allowance, medical, dental, and life insurance coverage, and continuing education leave are not mandatory though strongly recommended to be negotiated between the clergyperson and the Congregation. The Congregation shall enter into a written agreement with the clergyperson setting forth the number of Work Units required and other components of compensation, and a copy of the agreement shall be filed with the Commission on Clerical Compensation. Any proposed compensation below the mandatory minimums must have the written approval of the Standing Commission on Clerical Compensation.

(f) SECTION 4. Upon request and with the written consent of the member of the clergy concerned, the Commission on Clerical Compensation may approve adjustments in the cash salary, housing allowance (if any), and professional expense reimbursement **required by Sections 1 through 3 of this Canon** if the total of these three items meets the appropriate minimum requirements in these three areas.

(g) SECTION 5. The failure of any parish **or mission** to comply with the **foregoing** provisions of this ~~section~~**Canon** is a violation of Section 6 of Article II of the Constitution of the Diocese.

~~SECTION 4. The standards for compensation of vicars of organized missions and incorporated missions who are employed full time as clergy with pastoral charge of one or more Congregations shall be those provided for rectors in section 3 of this canon. It shall be the joint responsibility of the local Congregation and the responsible diocesan Ministry to see that the provisions of this section are carried out.~~

SECTION 5. ~~(a) Curacies of an apprenticeship nature shall be considered Level I positions. Pastoral assistantship positions not of an apprenticeship nature shall be assigned a Position Level by the rector and vestry of the parish in which the person is or is to be employed. Compensation shall be in accordance with section 3 of this canon, except that the provision of section 3(b)(1) in reference to the minimum amount of the housing allowance shall not be mandatory. When housing is provided for an assistant minister in accordance with the provisions of section 3(b)(1) of this canon, but the vestry elects in accordance with the provisions of this subsection 5(a) to pay a housing allowance less than the minimum amount, the vestry shall make an agreement in writing with the assistant minister stipulating the amount of the housing allowance. A copy of the agreement shall be filed with the Commission on Clerical Compensation. The vestry shall not decrease the amount during the time that the assistant minister remains employed by the church.~~ **6. The Standing Commission on Clerical Compensation shall annually review the all components of clerical compensation and offer its recommendations of changes, if any, to the parishes and missions by November 1 of each year, as follows:**

~~(b) The standards for compensation of priests who are employed full time as interim rectors or interim vicars by a church in the Diocese shall be those provided for rectors in section 3 of this canon, except that the provisions of subsection 3(b) on housing shall not apply. The church and the interim priest shall negotiate a mutually acceptable written agreement providing for housing and/or a housing allowance. A copy of the agreement, signed by both parties, shall be filed with the Commission on Clerical Compensation.~~ **a) The Commission shall annually review provisions of Sections 1 and 3 of this Canon with regard to a Cost of Living Adjustment based on the Bureau of Labor Statistics Consumer Price Index for the Northeast United States for All Urban Consumers (not seasonally adjusted) for a 2-month average of August and September of such year compared with the same period of the prior year, and other compensation factors deemed appropriate by the Commission. The COLA shall be applicable to the clergy person's current cash stipend, and subject to confirmation by Diocesan Convention.**

SECTION 6. ~~The Standing Commission on Clerical Compensation shall annually review the provisions of section 3 of this canon and shall report to Convention its recommendations on or before November 1 of the previous year. All proposed changes to this canon shall be submitted to the Commission on Clerical Compensation for its study, report and recommendations, if any, at least sixty days prior to the Convention at which they are to be considered.~~

(b) The Commission shall review the Clergy Compensation Chart in years divisible by three in order to adjust the minimum salaries of the position categories, housing equity or allowance, professional expense, and continuing education expense as needed based on market and economic factors, such as COLA.

SECTION 7. All proposed changes in the level of insurance benefits provided for in Canon 36, Section 2, shall be submitted to the Commission on Clerical Compensation for its study, report and recommendations, if any, at least sixty days prior to the Convention at which they are to be considered.

See also: Canon 33 - Commission on Clerical Compensation

APPENDIX B
Text Comparison for Part VI of Report

The following comparison shows the text of current Canon 13 compared to the new proposal (which appears more clearly in the implementing resolution) with deletions shown by strike-through and insertions in bold double-underline:

CANON 13

Trustees of Diocesan Trust Funds

SECTION 1. One board of six trustees consisting of the Bishop and five lay persons elected by Diocesan Convention shall serve as trustees of six trust funds of the Diocese. The corporate titles of these trust funds are: The Trustees of the Episcopal Fund of the Diocese of New Jersey; The Trustees of the Aged and Infirm Clergy Fund of the Diocese of New Jersey; The Trustees of the Missionary Funds of the Diocese of New Jersey; The Trustees of Church Property of the Diocese of New Jersey; The Trustees of the Widows, Widowers, and Orphans of Clergy Fund of the Diocese of New Jersey; and The Trustees of the Venture in Mission Endowment Fund of the Diocese of New Jersey.

SECTION 2. Lay trustees shall at all times be communicants in good standing of a parish, mission, or other congregation of the Diocese of New Jersey. One lay trustee shall be elected at each annual Convention to serve for a five-year term. No trustee elected by the Convention for a full five-year term shall be eligible ~~to~~**for** reelection ~~to succeed himself~~.

SECTION 3. Vacancies among the elected trustees created by death, resignation, removal, incapacity, or removal from the Diocese may be filled by the remaining trustees until the next annual meeting of the Convention, when a trustee shall be elected by the Convention to fill the unexpired term. Any elected trustees deemed negligent of their duties or unqualified to hold office may be removed by a vote of three elected trustees, the Bishop recommending or concurring.

SECTION 4. The Bishop shall be ~~chairman~~**chair** of the Board of Trustees. The Treasurer of the Diocese shall serve as treasurer of the funds named above.

The Board of Trustees shall meet at least once yearly, shall keep a minute book which shall clearly delineate their acts with respect to each of the said funds, and all their acts shall be entered as soon as adopted. These books, their books of account, and their securities, shall always be subject to inspection by the Bishop, the members of the Standing Committee and the members of the Finance and Budget Committee. Four trustees shall be a quorum, all having been cited to meet, and a majority of the quorum, duly convened, shall be competent to act.

No investment or reinvestment decision shall be executed unless approved at a duly convened meeting or approved in writing by a majority of the trustees, all of whom shall have been notified of the proposed action.

The disbursement of income and the disposition of property held in trust shall be subject to the conditions of the trust, or as directed by Canon or by resolution of the Convention.

SECTION 5. The trustees shall present to each annual meeting of the Convention separate reports of the various trusts under their control. These reports shall contain a detailed statement of the names and properties in each fund, with all additions and changes therein, including appropriations made therefrom.

The Trustees of the Missionary Fund Funds of the Diocese of New Jersey

SECTION 6. The income of the Missionary Funds, where the conditions of the trust do not conflict, shall be paid to the Treasurer of the ~~Diocesan Council~~ **Diocese**, to be applied to ~~Missionary~~ **missionary** purposes. The income of ~~Funds~~ **funds** that are subject to conditions shall be applied only according to the tenor of those conditions.

Fund The Trustees of the Aged ~~or~~ and Infirm Clergy Fund of the Diocese of New Jersey

SECTION 7. It shall be the duty of the Rector or Minister-in-Charge of every Parish or Mission to take an annual offering for the Fund for the Aged ~~or~~ **and** Infirm Clergy.

The Trustees of the Fund shall report to the Bishop and to the Standing Committee at its December meeting in each year the amount available, or estimated to become available, for the following fiscal year.

Appropriations shall be made at the discretion of the Standing Committee upon the written recommendations of the Ecclesiastical Authority. Such appropriations shall be paid by the Trustees upon the order of the Standing Committee certified by its Secretary. In cases of extraordinary and urgent need, arising during the recess of the Standing Committee, the Secretary of the Committee is, on the written request of the Ecclesiastical Authority, authorized to issue an interim order for temporary relief, which shall be paid by the Trustees upon receipt of such order. Clergy must be canonically resident in the Diocese to be eligible for the benefits of the Fund.

Relief The Trustees of the Widows, Widowers, and Orphans of Clergy Fund of the Diocese of New Jersey

SECTION 8. It shall be the duty of the Rector or Minister-in-Charge of every Parish or Mission to take an annual offering for the Fund for the Relief of Widows, Widowers, and Orphans of Clergy in the Diocese.

The Trustees of the Fund shall report to the Bishop and to the Standing Committee at its December meeting in each year the amount available, or estimated to become available, for the following fiscal year.

Appropriation shall be made at the discretion of the Standing Committee upon the written recommendations for the Ecclesiastical Authority. Such appropriations shall be paid by the Trustees upon the order of the Standing Committee certified by its Secretary.

In case of extraordinary and urgent need, arising during the recess of the Standing Committee, the Secretary of the Committee is, on the written request of the Ecclesiastical Authority, authorized to issue an interim order for temporary relief, which shall be paid by the Trustees upon receipt of such order. The families of clergy who are canonically resident in the Diocese are eligible to the benefits of the Fund.

Upon the death of any member of the clergy canonically resident in the Diocese, the Trustees shall pay, if the Ecclesiastical Authority shall so order it in writing, a sum not exceeding one thousand dollars to the widow, widower or orphans of said member of the clergy as a death benefit.

The Trustees of Church Property of the Diocese of New Jersey

SECTION 9. The Trustees of Church Property shall have power to receive, hold, and dispose of all funds and other property that may be given, conveyed, or otherwise transferred to it in trust for any religious, charitable, or educational purpose connected with The Episcopal Church in the Diocese of New Jersey or with any congregation in the Diocese, to be held in trust for such Diocese or for such congregation. The disbursement of income and the disposition of property held in trust by the Trustees of Church Property shall be subject to the conditions of the trust or, if not so specified, as directed by canon or as directed by resolution of the Convention. If no express trust is contained in the instrument vesting title or possession in the Trustees of Church Property, or if the Trustees of Church Property shall become the owner of property of a dissolved parish or other church property, then they shall hold and dispose of such property as may be directed by resolution of the Convention.

The Trustees of the Episcopal Fund of the Diocese of New Jersey

~~SECTION 9. Where the title to real estate of a duly incorporated parish is vested in the Trustees of Church Property or the Trustees of Church Property or the Trustees of the Episcopal Fund, such parish may apply, in writing, to the Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, to convey the title to such property to such corporation. Upon receipt of any such applications, and after due consideration, the Trustees of Church Property, or the Trustees of the Episcopal Fund, as the case may be, by a majority vote of such Trustees, is hereby authorized to convey the same.~~ **10. The income of trust funds vested in The Trustees of the Episcopal Fund, where the conditions of the trust do not otherwise provide, shall be paid to the Treasurer of the Diocese to be applied to the support of the episcopate through the diocesan budget.**

~~Provided, however, that the application for such conveyance of title shall be made by the parish corporation; and,~~

~~Provided, further, that no conveyance shall be made without the written consent of the Bishop and a majority of the Standing Committee.~~

~~Where the title to real estate of a duly organized mission, or of an unorganized mission, is held by the Trustees of Church Property or the Trustees of the Episcopal Fund, the Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, by a majority vote of such Trustees, is hereby authorized to sell and convey the same upon request of the members of the Diocesan Council, and the proceeds of such sale shall be disposed of at the direction of the members of the Diocesan Council.~~

~~The provisions of this Canon shall not apply to property held in trust by the Trustees of Church Property or the Trustees of the Episcopal Fund, under the Last Will and Testament of a deceased donor, under a deed of gift with restrictions or conditions which cannot be modified.~~

The Trustees of the Venture in Mission Endowment Fund of the Diocese of New Jersey

SECTION 40-11. The Trustees of the Venture in Mission Endowment Fund shall receive and invest or reinvest the funds of this trust according to the standards of ~~Fiduciary~~**fiduciary** management and in accordance with such requirements as may be set forth in the Constitution and Canons of the Episcopal Church and the Diocese of New Jersey.

After the final allocation of Venture in Mission Funds by the Convention in November 1984, the Principal of this Fund shall be inviolate and shall constitute a permanent endowment of this Diocese.

The income of this Fund shall be delivered periodically to the members of the Diocesan Council to be administered by them in a manner approved and directed by the Convention in support of the programs set forth in the Final Report of the Commission on Planning and Development and approved by the Convention on November 8, 1980, or such programs as may hereafter be authorized by the Convention for purposes consistent with the objectives set forth therein.

The Trustees shall retain the right to receive additional funds on account of principal at any time, and may, with the concurrence of the members of the Diocesan Council, convert to principal any portion of income not currently required for purposes of the Trust.

Sale and Conveyance of Title to Real Estate

SECTION 12. Where the title to real estate of a duly incorporated parish is vested in the Trustees of Church Property or the Trustees of the Episcopal Fund, such parish may apply, in writing, to the Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, to convey the title to such property to such corporation. Upon receipt of any such applications, and after due consideration, the Trustees of Church Property, or the Trustees of the Episcopal Fund, as the case may be, by a majority vote of such Trustees, is hereby authorized to convey the same; **provided**, however, that the application for such conveyance of title shall be made by the parish corporation; and **provided**, further, that no conveyance shall be made without the written consent of the Bishop and a majority of the Standing Committee.

Where the title to real estate of a **mission** is held by the Trustees of Church Property or the Trustees of the Episcopal Fund, the Trustees of Church Property or the Trustees of the Episcopal Fund, as the case may be, by a majority vote of such Trustees, is hereby authorized to sell and convey the same upon request of the members of the Diocesan Council, and the proceeds of such sale shall be disposed of at the direction of the members of the Diocesan Council.