

## A LETTER OF AGREEMENT

Between  
[FULL LEGAL NAME OF CHURCH]  
*[ALTERNATE: The Vestry of FULL LEGAL NAME OF CHURCH]*  
(the “Church”)  
and

The Reverend [FULL LEGAL NAME OF RECTOR] (“Rector”)

who has been elected Rector by the Vestry of [FULL LEGAL NAME OF CHURCH] with the understanding that this tenure (the Rector’s service as Rector of the Church and employment by the Church) is to continue until dissolved by mutual consent or as otherwise provided by the relevant Canons of the Diocese of the Mid-Atlantic (the “Diocese” or “DOMA”) and of the Anglican Church in North America (the “Province” or “ACNA” ).

### **Preamble: Position, Ministry, and Duties**

During his tenure with the Church, the Rector shall lead the Church as pastor, priest and teacher, sharing in the councils of this congregation and of the whole Church, in communion with our Bishop. By word and action, at all times informed by and consistent with the Holy Scriptures, the Book of Common Prayer, and the Constitution and Canons of the Anglican Church in North America and of our Diocese, the Rector shall proclaim the Gospel, love and serve Christ’s people, nourish them, and strengthen them to glorify God in this life and in the life to come.

This ministry and your duties as Rector are further defined in the Rector Position Description approved by the Vestry of the Church and hereby agreed to by the Rector, which Rector Position Description is hereby acknowledged and made part of this Letter of Agreement.

### **Section A. Times of Work and Leave**

- (1) The position of Rector is a full-time position. The Rector’s scheduled workweek is five days, usually measured as ten to twelve units of mornings, afternoons, or evenings in various combinations reflecting demands of the ministry. In general, no more than three evenings per week are expected. The Rector is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use. The Rector’s work includes not only activities directed to and serving the parish and its well-being, but also labors for the benefit of the Diocese and community.
- (2) The Rector will have the following periods of leave with full compensation:
  - (a) National Holidays, to be taken so as not to interfere with worship or other important church-related activities. These holidays are New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. When the holiday is a work day, the Rector will be given the opportunity to take another day in the week off.
  - (b) One month Annual Vacation, consisting of twenty-three workdays, which shall include five Sundays. No more than five days and one Sunday may be carried forward to succeeding years.
  - (c) Professional Development Leave (Continuing Education) at the rate of two weeks per year.

- (d) The Rector will receive the opportunity for sabbatical leave for periods of enrichment and recharging, at a rate of two weeks per year of service in this parish, available after the third year and cumulative through the sixth year. Sabbatical arrangements are to be determined in full consultation with the Vestry, to ensure benefits for the parish as well as for the Rector.

### **Section B. Compensation**

- (1) The Rector's annual cash salary will be \$\_\_\_\_\_, paid by the Church in accordance with the customary payroll practice for the Church's employees (normally semimonthly on or before the 15th and final days of each month or as otherwise required by applicable laws and regulations).
- (2) Upon the Rector's request, the Vestry will designate a portion of the total cash salary as "Housing Allowance" as permitted under the United States Internal Revenue Code and related regulations and rulings. The portion designated as "Housing Allowance" will be reviewed and adjusted annually to reflect changes in the fair market value of the Rector's housing and the Rector's actual allowable housing expenses.
- (3) The Vestry shall provide the following benefits to the Rector:
  - (a) The Anglican Church in North America retirement fund contribution equal to \_\_\_\_ percent of the Rector's total annual cash salary (including Housing Allowance).
  - (b) Medical and dental insurance for the Rector and his spouse through the group plan provided through the Diocese or its equivalent.
  - (c) Group life and long-term disability insurance, through the group plan provided through the Diocese or its equivalent.
  - (d) Workers' Compensation Insurance, as required by State Law.
- (4) The Vestry may increase the Rector's salary and/or benefits in its sole discretion. The Vestry may not reduce the Rector's salary or benefits unless (a) such reduction is consistent with general reductions in the Church's overall budget, or (b) the Rector agrees in writing to such reduction(s) in salary and/or benefits. The Rector shall not be entitled to any additional compensation or benefits from the Church without prior approval of the Vestry.  
[**ALTERNATE**: The Vestry may increase or decrease the Rector's annual salary and/or benefits in its sole discretion. The Rector shall not be entitled to any additional compensation or benefits from the Church without prior approval of the Vestry.]

### **Section C. Expenses**

The Rector shall be reimbursed for travel and other expenses incurred in fulfilling the duties of office through an allowance set annually by the Vestry in the parish budget. Expenses projected to exceed this allowance should be presented to the Vestry in advance to be considered on a case-by-case basis.

### **Section D. Benevolence Fund**

The Church will establish a Benevolence Fund in accordance with the Benevolence Fund Policy and Procedures of the Diocese. The Benevolence Fund shall be under the Rector's immediate control, from gifts specifically given to the Church for the purposes of the Benevolence Fund. All deposit accounts for the Benevolence Fund shall be approved by the vestry, shall be opened

using the Church's federal Employer Identification Number, shall be in the name of the Church and not of the Rector, are subject to audit and included in financial reports following standard accounting procedures, and shall remain with the Church when the Rector departs. This fund will be subject to an annual confidential review conducted by the Wardens.

### **Section E. Supplementary Compensation**

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

- Sacramental services on behalf of persons not in any way related to the Church.
- Fees and honoraria for professional services performed on personal time for groups unrelated to the Church.

### **Section F. Use of Buildings**

In addition to use and control of the Church's buildings for the discharge of duties of the Rector's office, as provided by the Canons of the Diocese and by this Letter of Agreement and the Rector Position Description, the Rector shall have the right to permit individuals or groups from outside the Church to use the Church's buildings, following guidelines approved by Rector and Vestry.

### **Section G. Mutual Ministry Review**

The Rector, Wardens, and Vestry agree to an annual discussion and mutual review of the total ministry of the parish, in order to:

- Provide the Rector, Wardens, and Vestry opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministries they share.
- Discuss aspirations for parish ministries.
- Isolate areas of conflict or disappointment which have not received adequate attention and may be affecting mutual ministry adversely.
- Clarify expectations of all parties to help put any future conflicts in manageable form.

A mutually agreed upon third party will be engaged to facilitate the mutual ministry review process.

### **Section H. Intellectual Property and Copyrighted Works**

- (1) *Intellectual Property Ownership.* Unless otherwise specified or agree in writing by the Church, all works developed or prepared by the Rector that relate in any way to the Rector's duties under this Letter of Agreement or the ministry or activities of the Church, including but not limited to sermons, teachings, books, articles essays, presentation, dramatic works, products, reports, computer programs, data, manuscripts, music, and lyrics, whether written, photographic, electronic, or in any other form (hereinafter the "Work" or "Works"), are the sole property of the Church, and all possible right, title and interest therein, including moral rights, shall vest in the Church and shall be deemed to be a "work made for hire" under United States copyright law (17 U.S.C. §101 et seq.) and as such may be used by the Church, its licensees, sublicensees, assigns and transferees, for and in all media now known or later developed, and including but not limited to all

electronic rights and media. To the extent that title to any such Works may not, by operation of law or otherwise, vest in the Church or such Works may not be considered to be work made for hire, the Rector hereby irrevocably assigns to the Church all possible right, title and interest therein, including moral rights. All such Works shall belong exclusively to the Church, and the Church shall have the right to obtain and to hold in its own name copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. The Rector further acknowledges that the Church owns the entire, worldwide right, title, and interest in and to all "new works" or "derivative works" created by the Church's use of any Works, or any component element(s) thereof, including, but not limited to the copyrights for such "new works" or "derivative works" for all media now known and later developed. The Rector agrees to give the Church any reasonable assistance required to perfect and enforce the rights defined in this Section. Nothing in this Agreement shall be deemed to require the Church to publish or use the Works. The Rector's obligations under this Section shall survive termination of this Letter of Agreement.

- (2) **[OPTIONAL]** *No Prior Agreements.* The Rector acknowledges that he has not entered into any previous written or oral agreements vesting the Rector or any third party or entity, other than the Church, with ownership rights in works created by the Rector during his tenure as Rector of the Church, and that the Church fully owns all copyrights to such works.
- (3) **[OPTIONAL]** *Original Works Representation.* The Rector agrees that all works that the Rector creates for the Church or that in any way relate to the Rector's duties under this Letter of Agreement are original and previously have not been used or published in whole or in part, that they do not infringe upon any common law or statutory copyright, proprietary right, or any other right whatsoever, and that they contain no matter that is libelous or otherwise in contravention of law.
- (4) **[OPTIONAL]** *Limited License to Works.* The Church hereby grants the Rector a limited, non-exclusive, world-wide, perpetual, royalty-free license to use, reproduce, distribute copies of, adapt and create derivative works based upon, and sublicense the Works. The Rector acknowledges and agrees that this license may result in additional income to the Rector arising from or related to the use or licensing of such Works by the Rector and that such additional income may have create additional tax and/or other legal obligations or consequences for the Rector, and the Rector agrees that he is solely responsible for any such tax and/or legal obligations or consequences and that the Church has no responsibility or liability for such tax and/or legal consequences.
- (5) **[OPTIONAL]** *Outside Works.* The Church and the Rector agree that any works that the Rector creates that are developed or prepared by the Rector that do not relate to the Rector's duties under this Letter of Agreement, that do not relate to the ministry or activities of the Church, and that were not prepared using equipment and materials of the Church, including but not limited to sermons, teachings, books, articles essays, presentation, dramatic works, products, reports, computer programs, data, manuscripts, music, and lyrics (hereinafter the "Outside Works") shall not constitute "Works" belonging to the Church under the preceding subsection. The Rector acknowledges and agrees that it shall be his obligation to maintain complete and accurate records documenting that specific works constitute Outside Works under this provision and that if

such records are insufficient, the affected work(s) shall be considered Work(s) belonging to the Church as defined in the preceding subsection. Notwithstanding the foregoing, the Vestry may agree in writing that specific works created by the Rector constitute “Outside Works” and do not belong to the Church. The Church will not compensate you for any such Outside Works.

## Section I. Obligations Upon Conclusion of Tenure [OPTIONAL]

- (1) [OPTIONAL] *Return of Property*. No later than the date upon which the Rector’s tenure as Rector of the Church concludes, the Rector will return to Church any property of the Church still in the Rector’s possession, custody, or control, including but not limited to master keys, computers, software, cell phones, other equipment, vehicles, data storage devices, church books, documents, minutes, counseling notes, and any other Church documents in both hard copy and electronic formats and all other Confidential Information as defined in Section \_\_\_ below.
- (2) [OPTIONAL] *Non-disclosure / Confidentiality*. The Rector agrees that upon the conclusion of the Rector’s tenure as Rector of the Church, the Rector will forever cease and desist from all use of the Church’s Confidential Information, and will keep confidential forever all of the Church’s Confidential Information. For the purposes of this Agreement, “Confidential Information” shall include any of the Church’s confidential, proprietary, and/or trade secret information that is disclosed to the Rector, that the Rector has had access to, and/or that the Rector has otherwise learned in the course of employment with the Church, including but not limited to all of the Church’s human resources, payroll, accounting, business and/or financial information, all nonpublic information concerning programs, faculty, staff, employees, finances, donor records, mailing lists, and/or strategic plans of the Church, information regarding the security procedures for and/or operation of Church programs, and all other confidential or proprietary information belonging and/or related to the Church that came into the Rector’s possession, custody, or control during or in connection with the Rector’s employment with the Church, whether in print, electronic, or any other form. Confidential Information shall not include any information that: (a) is or becomes publicly available through no act of the Rector; (b) is rightfully received by the Rector from a third party without restrictions; and/or (c) is independently developed by the Rector. The Rector’s obligations under this provision shall survive termination of this Letter of Agreement.
- (3) [OPTIONAL/ALTERNATE: *Unilateral Non-Disparagement Provision*] *Non-Disparagement*. The Rector also agrees that, both during and after the conclusion of the Rector’s service as Rector of the Church, the Rector will not make any statement, take any action, nor conduct himself in any way that the Church has reason to believe may adversely affect the reputation or goodwill of the Church. The Rector’s obligations under this provision shall survive termination of this Letter of Agreement.
- (3) [OPTIONAL/ALTERNATE: *Mutual Non-Disparagement Provision*] *Non-Disparagement*. Seeking to honor God and His command to make every effort to maintain the unity of the Spirit and not to gossip or slander, the Rector and the Vestry mutually agree not to make any statement, take any action, nor conduct themselves in any way that may adversely affect the reputation, or goodwill of each other, except in extraordinary cases through the redemptive process of church discipline. The parties’ obligations under this provision shall survive termination of this Letter of Agreement.

## Section J. Other Terms and Conditions

- (1) The Rector's employment shall commence and all pay and benefits enumerated in this Letter of Agreement shall become effective on \_\_\_\_\_ (the "Commencement Date").
- (2) This Letter of Agreement, and its related Rector Position Description, shall be made part of the minutes of the next Vestry meeting following its signing, and copies shall be made available to each new Vestry member.
- (3) In the event of the Rector's death, the Vestry agrees to continue payment of the Rector's cash salary, and appropriate medical and dental insurance, to the Rector's surviving direct dependents for a period of six months or as otherwise required by applicable laws. (The Vestry, in its sole discretion, may authorize additional continued payments and/or insurance to the Rector's surviving direct dependents.)
- (4) This letter may be modified only by mutual agreement in writing of both parties.
- (5) This Agreement shall be governed and interpreted in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflict of laws.
- (6) This Letter of Agreement constitutes the entire agreement between the parties, and supersedes any prior oral or written agreements, understanding or commitments. No amendments or modifications to this Letter of Agreement shall be valid unless in writing signed by both parties.
- (7) Should any provision or clause of this Letter of Agreement be held to be void, invalid, or unenforceable, the remaining provisions shall not be affected and shall continue in effect as valid and enforceable, and the invalid provision shall be deemed modified to the least degree necessary to remedy such invalidity.
- (8) This Letter of Agreement and the rights and obligations of the parties shall bind and inure to the benefit of each of the parties hereto and shall also bind and inure to the benefit of any successor of the Church; and except as to any such successor of the Church, neither this Letter of Agreement nor any rights or benefits hereunder may be assigned by either party without the prior written consent of the other party.
- (9) The parties to this Letter of Agreement are Christians and believe that the Bible commands them to make every effort to live at peace and to resolve disputes with each other in private or within the Christian church (see Matthew 18:15-20, 1 Corinthians 6:1-8). Therefore, the Rector and the Church agree (1) that any claim or dispute arising from or related to this Agreement, the conclusion thereof, and/or the Pastor's tenure with the Church that after diligent efforts they are not able to resolve among themselves or with the assistance of the Bishop of the Diocese, shall be settled by biblically based mediation [*OPTIONAL CLAUSE REQUIRING BINDING ARBITRATION: and, if necessary, legally binding arbitration*] in accordance with the Rules of Procedure for Christian Conciliation of the Institute for Christian Conciliation, 1537 Avenue D, Suite 352, Billings, Montana 59102, as set forth at [http://www. peacemaker.net](http://www.peacemaker.net); [*OPTIONAL CLAUSES IF BINDING ARBITRATION IS REQUIRED: (2) that any arbitration award may be entered in any court having jurisdiction over the subject matter or parties; (3) that these methods shall be the sole remedy for any controversy or claim arising out of this Agreement; and (4) to expressly waive the right to file a lawsuit or claim against one another for such disputes, except to enforce an arbitration decision*]. The parties' obligations under this provision shall survive termination of this Agreement. Notwithstanding the foregoing, the Church may seek injunctive relief in any court of competent jurisdiction for a breach of the confidentiality provisions or the copyright provisions of this Letter of Agreement.

---

Date

---

Rector

---

Date

---

Senior Warden