

The Vestry: Its Functions under Secular and Canon Law¹

1. Questions for opening discussion:

- What is primary role of Vestry, Wardens?
- To whom is Vestry primarily responsible? For what is Vestry primarily responsible?
- What is Vestry's proper relationship to Rector?

2. Vestry as "Board of Directors"

Duties of Loyalty and Care

a. Loyalty: Q: What does that mean or imply? Loyalty to whom? How is that shown?

- Loyalty is to the parish, so its interests must come first – before the interests of the Rector and before the interests of any Vestry member; May be hard to remember when someone is in need (but cannot let human failing bring down the institution)
- Key elements concern: (a) conflicts of interest, (b) confidentiality, and (c) opportunity:
- Conflicts of Interest: Be alert to any potential conflicts of interest on the part of any member of the Vestry or staff; Is most often a business arrangement, includes arrangement with family members; Example: giving church business to your (or your spouse's) employer (especially if you are on commission); Does not mean it should not be done, but Vestry should be able to make an informed decision; So if potential transaction involves an interested or related party, that should be disclosed, and the affected Vestry member should not participate in the discussion or vote; Underlying rationale is that no one can serve two masters (and that includes one's self)
- Confidentiality: (a) Private (i.e., non-public) matters stay private; Often includes delicate personnel matters, potential misconduct; While something is in investigatory stage nothing should be said; No rumor or gossip or spreading of salacious details; (b) Also, individual Vestry member is not a spokesperson for the church; Have process for handling communications re sensitive matters; one "point" person and one message; consult with attorney if unsure about what can or should be said
- Church Opportunity: Do not engage in an activity or transaction that may affect or be of interest to the church without disclosing that activity or transaction to the Vestry and giving church the opportunity to either act or decline to act in regard to the matter; May result from information you learn in another context (i.e., through work or community activities)

b. Care: What does that mean?

¹ These materials are a distillation of a presentation prepared by Patricia Burgess, a Vice Chancellor for the Episcopal Diocese of Michigan

- Key elements: (a) Act in good faith, (b) in a manner reasonably believed to be in the best interest of the parish, (c) with the care an ordinarily prudent person in a similar position would exercise in similar circumstances – use good judgment and common sense;
- That means informed decision making: have to attend meetings – and prepare for them before you go; Obtain and read all pertinent information – if you are going to be voting on something, make sure you are prepared to vote, that you understand what is at issue and the implications of it; Take notes at meeting
- Exercise independent judgment: Question things you do not understand or that you find troublesome or suspicious; Do not let yourself be rushed to act or approve something on the basis of incomplete information; You are not responsible for others' poor planning or carelessness, but you are responsible for your own – i.e., *the fact that someone did not give you the necessary information enough ahead of time so that you could read and understand it does not excuse you of the responsibility of giving your approval knowingly*
- Read and review the minutes of every meeting you attend and make sure they are accurate; Long after you are gone the minutes will be the record that remains; If a problem arises six months or six years later, will the minutes provide an accurate depiction of what was said and done and how?
- Can (and should) use committees and staff to accomplish various tasks; But that means exercising oversight; If you chair or are on the committee, make sure it fulfills its purpose and reports regularly at Vestry meetings; If staff members (e.g., Director of Religious Education, Music Director) do not report directly to the Vestry at meetings, they should be reporting through a committee or Vestry representative
- Financial oversight: **This is Key!** Vestry members are not in the office or paying the bills, so that makes it especially important that they carefully review all financial information; the Vestry is responsible for managing the church's assets; Financial information should be presented at every meeting, and it should be in a form you can understand; **[If you do not understand the financials in the manner in which they are presented, ask the treasurer or book-keeper to meet with you to explain them.]** Ask questions: How many estimates or bids were considered for various goods or services? What processes and procedures are in place for contracting out work or for staff authorizing expenditures? What checks and balances are in place regarding the use of church funds? What documentation is required for reimbursing staff for their expenses? What are policies regarding employee loans and employee use of church credit cards? If there are not any, there should be – and they should be in writing and available to all, so that Vestry members can make sure they are being followed; Annual Financial Audit should not be under the direction and control of the Rector – an Audit Committee should take charge of engaging the auditor and reviewing the report before it is submitted to the Vestry

Ultimately you want to find that point somewhere between rubber-stamp approval and micro-management that is responsible oversight

3. Key Differences between Vestry and Nonprofit Board

Two key differences: nature of the relationship with the "CEO" and role of the Rector

- Typical nonprofit board hires the CEO or Executive Director; Is often a contract for a stated length of time (e.g., 3-5 years), renewable by mutual agreement; Board conducts annual review and performance evaluation; If there are problems, they can be discussed, but ultimately the Board is responsible for the agency and can fire a CEO who is under-performing, is performing poorly, or puts the agency at risk; Rector is essentially a permanent employee, is no "term" to the contract; If there is a problem the Vestry cannot "fire" the Rector; Must work with the Diocesan officials
- Nature of clergy is that there is inherent trust, belief that Rector is good, honest, and honorable person; Not so much a matter of holding clergy to a higher standard (though that may happen) as to believe that clergy are genuinely "better" people than the rest of us, that they lack our human faults and weaknesses; Makes it hard to challenge or question the Rector or hold him or her to account if something does not look right; Makes it more likely that you will accept an inadequate answer because this is someone you trust; Also, most clergy are not hired because they are good administrators, they are "called" to the priesthood, and they are called to a parish because of their preaching and pastoral talents; Both Vestry and Rector need to be open and honest about Rector's strengths and weaknesses, especially administrative
- These two factors almost set up, or may tend to set up, a "power struggle" between Vestry and the Rector; Rather than seeming to encroach on the Rector's sphere, Vestry's role should be framed as easing some of the burden

4. Difficulties and problems facing Vestries

- Reliance on Staff: It is so *easy* to let staff handle things; They are "on site" and they have the information; *But*, they have their jobs and the Vestry has its (which is oversight and responsibility)
- Constraints on time and energy: Vestry members are volunteers, with jobs and family responsibilities; Serving on Vestry can be very demanding – not just time for meetings, which can be long (particularly if not well run or there are contentious issues); *but also* may be dealing with difficult issues about which people (both other Vestry members and the congregation at large) have strong feelings and strong opinions; *So*, is very tempting sometimes to defer to others on the Vestry, or to the Rector or staff, can be tendency to give something a quick "once-over" and say it looks OK, tendency to approve something without taking time to really understand it because there are not enough hours in the day.
- "Niceness" and "Good Will": Most people associated with church are genuinely nice people, people of good will, who have the best interests of the church at heart; Presents a couple problems: (1) no one wants to "make waves" or stir up trouble, and (2) is tendency to be too trusting (because believe that everyone involved is "good")

5. Guidelines to follow

- Documents: Bylaws, Policies – get them, read them, and keep them handy to refer to (notebook or folder w/ pockets so easy to find); At first full Vestry meeting after Annual Meeting set aside half hour or so to review key elements of bylaw and policies

- Information: Financials, Reports, Proposed Actions – you cannot fulfill your responsibilities without it
- Policies and Procedures: Find out what they are and make sure they are followed; If they are not working, revise them so they will be; If you are doing something that is not provided for (e.g., votes by phone or e-mail), either stop doing it or revise the bylaws to allow it
- Attendance: Cannot be an informed, responsible participant if you are not there, but *not being present* does not absolve you of your responsibilities
- Dual Mission: Role is to help the church fulfill its mission; Spiritual is primary, but it cannot achieve that if its "body" is not intact