

Minnesota Annual Conference of The United Methodist Church Policy and Procedure Manual

INTRODUCTION

The purpose of this manual is to codify the standing rules and the conference and local church operational procedures of the Minnesota Annual Conference of the United Methodist Church. Sections 100, 200, and 600 comprise the standing rules, Section 300 relates to conference operational procedures, and Section 400 outlines local church operational procedures. Section 500 applies to pastors in retired relationship.

This manual was developed in response to action of the 1997 annual conference session and has been revised by action of subsequent annual conference sessions. The manual can be accessed through the conference website: www.minnesotaumc.org. It is intended that this manual be copied from the website and placed in a loose-leaf binder.

Sections amended by annual conference action will be noted every year in the conference *Journal* in the reports of applicable legislative action. Beginning in 2003, an ongoing composite list of amended sections and subsections with revision dates will be kept by the conference secretary. The website each year will contain the full *Policy and Procedure Manual* as updated.

The manuals are the property of the local congregation and its officials and are to remain in the local congregation and be passed on to the appropriate successors.

Each conference structure unit is urged to annually review those parts applicable to their ministry focus for any legislative action to be recommended to the annual conference.

The Minnesota Annual Conference will operate on the basis of *The Book of Discipline*, which is amended by action of the General Conference. "*The Book of Discipline*" will be abbreviated "*BOD*" throughout this document, when paragraph references are used.

Questions regarding this manual may be directed to the Conference Secretary or Director of Ministries.

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100. ANNUAL CONFERENCE SESSION

01. Equalization Formula

a. Clergy Membership

(See *BOD* ¶ 602.1)

- 1) Deacons and elders in full connection (*BOD* ¶ 333)
- 2) Provisional members (*BOD* ¶ 327)
- 3) Associate members
- 4) Retired associate members
- 5) Affiliate members (*BOD* ¶ 344.4, 586.4)
- 6) Local pastors under full-time and part-time appointment to a pastoral charge (*BOD* ¶ 317)
- 7) Retired local pastors (voice but not vote)
- 8) Other denomination ministers serving UM churches or in ecumenical service

b. Lay Members

- 1) A professing member from each church
- 2) Each charge served by more than one clergy shall be entitled to as many lay members as there are clergy members. ("Clergy" shall include deacons for whom the local church is their secondary appointment.)
- 3) One additional lay member from churches with 600 or more members with one pastor under Episcopal appointment, the election of the additional lay member being based on the membership of the church as reported in the most recent conference *Journal*
- 4) Diaconal ministers
- 5) Conference Scouting Coordinator
- 6) Conference lay leader
- 7) Conference director of lay speaking
- 8) District lay leaders
- 9) Conference president of United Methodist Women
- 10) Conference president of United Methodist Men
- 11) General Conference lay delegates for the quadrennium following their election
- 12) Lay persons who are members of General Conference Board and Agencies and the lay representative to the Jurisdictional Council on Ministries
- 13) At large lay members of the Common Table
- 14) Lay members of Ministry Teams
- 15) Lay leaders of Action Teams, if not on a ministry team
- 16) President and president elect and newly elected president elect for the conference youth organization
- 17) Chair of the annual conference college student organization
- 18) Two young persons under 25 years of age from each district to be from the YIAT, selected by them
- 19) Lay directors/coordinators, conference treasurer, and conference secretary. These lay members to be added must meet the requirements of annual conference membership as spelled out in *BOD* ¶ 32
- 20) Deaconesses and Home Missionaries serving within our conference
- 21) One young adult (18-30) from each district to be selected by the district
- 22) Additional lay persons, divided equally among the districts and selected by each district so as to balance the total number of clergy members

02. Ecumenical Representatives

(See *BOD* ¶ 602.9)

The Minnesota Annual Conference of The United Methodist Church shall invite official observers from three or more other denominations to participate in its sessions of the annual conference. The official observers shall have voice but not vote. Responsibility for issuing these invitations shall be delegated to the Ecumenical Connections Action Team of the Appointed Leadership Ministry Team.

03. Plenary Session Guidelines

a. Special Committees

The chairperson shall appoint special committees which have been ordered if the conference has not otherwise provided.

b. Pre-Conference Reports and Recommendations/Late Materials

There shall be a pre-conference book of reports and recommendations to the annual conference session, to be edited and produced by the conference secretary and to be distributed as economically as possible to members of the annual conference at least 30 days prior to opening of the session. The Sessions Action Team will provide an opportunity to opt in to pay for a hard copy. Materials intended for publication in the pre-conference book shall be sent to the conference secretary at least 75 days prior to the opening of the session. Materials received after the deadline shall not be brought to the annual conference for inclusion unless the subject matter has urgency due to events that have occurred after the deadline for submission of materials. In that case, said late material can be submitted to the annual conference session for consideration only by a two-thirds vote of those members present and voting.

c. Consent Calendar

The Common Table will review the recommendations before the annual conference session for its action. The Common Table will prepare a consent calendar, and may refer critical and/or controversial proposals to conferencing groups for study and action, recommending a consensus method or vote. These proposals will be examined, placed on the Recommended for Adoption List (RAL), amended, returned without action, or placed on the Recommended for Rejection List (RRL). If the conference session uses conferencing groups, a conferencing group may place an item on the RAL or RRL when there are fewer than five members of the group taking the minority opinion. Items placed on the RAL or RRL by the Common Table or a conferencing group may be removed by a petition signed by ten members of the annual conference and presented to the conference secretary. The bishop may call for a coordinating committee to deal with new or amended proposals to eliminate redundancy so that proposals may be presented to the plenary session in an orderly manner. The bishop may ask leaders of conferencing groups to meet as the coordinating committee. The Common Table would name the convener of the coordinating committee. Following the reading of the RAL and RRL lists, at least one hour shall lapse before final disposition.

These rules shall not be suspended except by a two-thirds vote of the members present and voting.

d. Public Statements and Press Releases

Public statements and press releases regarding the deliberations and conclusions of the annual conference shall be designated as to whether they are: a) The official position of the Minnesota Annual Conference of the United Methodist Church; or the result of a straw poll among those delegates present; or the personal opinion of the executive officer or United Methodist delegate only; or the position of a particular established or ad hoc group at the annual conference.

e. Rules of Procedure Presented at Opening Session

Rules of procedure, including the setting of the bar of conference, shall be presented by the Conference Sessions Action Team and adopted by the conference at its opening session.

04. Election of Lay Members

Lay members of the annual conference shall be elected for the quadrennium by the pastoral charges in accordance with *The Book of Discipline* and the equalization formula adopted by the annual conference.

05. Conference Structure and Elected Leadership

- 1) The conference structure and elected leadership are noted in Section 200 below.
- 2) Changes in conference structure shall be processed through the Common Table.
- 3) The election of all elected leadership shall be subject to confirmation by the annual conference session, unless otherwise provided by *The Book of Discipline*.

06. Lists of Members and Officers

All people's names used in conference, district or other mailings and lists of officers, including the local church, will be their lawful name and not nickname.

07. Love Offering

The Mission Promotion Ministry Team shall be the responsible body for administering the Love Offering of the annual conference session. The Mission Promotion Ministry Team shall select a recipient for its Love Offering by October 31 and recommend its choice to the Common Table and the Council on Finance & Administration for their consideration and formal approval by January 15. The Mission Promotion Ministry Team shall promote the offering and administer the collection and distribution of the offering in coordination with the Conference Sessions Action Team.

08. The Conference Journal shall be Published Annually

The standing rules of the annual conference shall be included annually in the *Journal*. Newly adopted *Conference Policies and Procedures* shall be available by September 15. Revisions shall indicate the date of adoption.

200. CONFERENCE STRUCTURE AND ELECTED LEADERSHIP

01. Structure

The structure of the Minnesota Annual Conference will fulfill the requirements of *The Book of Discipline* to: "develop, administer, and evaluate the missional life, advocacy needs, and ministries of the Church in and through the annual conference. It shall maintain connectional relationships; organize to develop and strengthen ethnic ministries, including ethnic local churches and concerns; and provide encouragement, coordination and support for conference agencies, districts, and local churches in their ministries of nurture, outreach, and witness in accordance with the mission of the United Methodist Church."

02. Membership and Term Limits

The membership and term limits for each organizational unit shall be consistent with the *Book of Discipline* and all mandated functions will be incorporated into the functions of one of the ministry teams.

03. Ministry Functions

A ministry team shall consider new and existing ministry functions. When a relationship is not clear, the Common Table has the responsibility to refer these ministries to the appropriate ministry team.

04. Ministry Teams

There will be *five (5)* ministry teams, with the leaders nominated by the Elected Leader Team, and elected by the annual conference session. Attention shall be given to matching leaders' gifts for ministry and opportunities for ministry and racial, gender, district, age, and lay/clergy diversity.

05. Term of Office

The term of office will be set at two years. Persons will be eligible to serve no more than four consecutive terms. Vacancies between sessions will be filled by the conference Elected Leader Team.

06. Action Teams and Project Teams

Action Teams shall be nominated by the Elected Leader Team in consultation with the leadership of the respective ministry team and elected by the annual conference. Membership of the action teams shall be printed in the conference Journal. Action Teams will be ongoing and are specified below in the structure. Project teams are formed

as needed by the respective ministry team, with a target completion date. If, after evaluation, the purpose has been achieved, they will not continue.

07. Disciplinary Representatives

A representative from organizational units required by *The Book of Discipline* will be a member of the ministry team with corresponding functions, with the exception of the Committee on Investigation and the Administrative Review Committee.

08. Ministry Team Structure

a. Appointed Leadership Ministry Area

- Episcopacy Committee
- Joint Committee on Incapacity
- Ecumenical Connections
- Equitable Compensation (members elected by annual conference)

b. Mission Ministry Team Membership

- Team Leader
- Conference Secretary for Global Ministries
- Four (4) at large members
- The leader of each action team
 - Global Mission & Social Justice
 - Health Care Ministries
 - Local Mission & Social Justice
 - Mission/Social Ministry Funding
 - Promotions
 - Rural Issues
 - Mission Personnel

c. Discipleship Ministry Area

- Youth
- Young Adult Ministry
- Higher Education
- Lay Ministry (Conference Associate Lay Leader is Team Leader)
- Sessions
- Faith Formation
- Youth Ministry Connectional Table
 - Director of Ministries
 - Conference Lay Leader
 - Discipleship Ministry Team Leader
 - Youth In Action Team (YIAT) Coordinator
 - YIAT President
 - YIAT Vice President
 - YIAT Adult Chaplains
 - One Youth Chaplain selected by YIAT

d. Communications Ministry Team Membership

- Team Leader
- Eight (8) at large members

e. Administrative Ministry Area

- Council on Finance and Administration
- Conference Board of Trustees

- Conference Board of Pensions & Health Benefits
- Commission on Archives and History

Groups amenable to Council on Finance & Administration:

- Budget Process Action Team
- Financial Legacy Action Team
- Investment Action Team
- Risk Management Action Team (liaison with Sexual Boundaries Training Action Team)

f. Retreats and Camping Ministry Team

- Financial Action Team
- Resource & Fund Development Action Team
- Property Management Action Team
- Program, Accountability and Assessment Action Team
- Marketing and Communications Action Team

g. Congregational Development Ministry Team

- Grace in the City
- Urban Action Team

h. Church and Society Ministry Team

- Peace with Justice Action Team
- Drugs and Alcohol Action Team
- Disabilities Awareness Action Team

i. Investing in Congregations Team

j. Safe Sanctuaries Ministry Area

Groups amenable to this ministry area:

- Sexual Boundaries Training Action Team (liaison with Risk Management Action Team)
- Congregational Response Team
- Conflict Transformation Team
- Clergy Boundary Training

09. Common Table

- a. The Common Table is charged with reviewing all programs and budgets to ensure that they are aligned with the mission and ministry of the annual conference. It will foster vision and prompt ministry focused on mission. The Common Table will give oversight and aid in the solution of any problems that may arise. It is expected that at each session of annual conference, the Common Table will share its vision for and evaluation of our conference, and present forward-looking challenges, as they perceive them. The members of the Common Table may serve up to and including a maximum of eight years. The Common Table will contain the following:
- b. Members of the Common Table with voice and vote will include:
 - One representative selected by each ministry team
 - One representative selected by the Human Resources Team
 - Two at-large members elected by the annual conference with emphasis on ensuring diversity of the Common Table
 - The conference Lay Leader, who will serve as host
 - One representative from the Commission on Religion and Race
 - One representative from the Status and Role of Women Team
 - One representative from the Ecumenical Connections Action Team
 - One representative from Board of Ordained Ministry

- One representative of the Board of Trustees
- One representative of the Council on Finance & Administration
- Conference Secretary of Global Ministries
- Ex-Officio:
 - Area Bishop
 - Cabinet Representative
 - Director of Ministries
 - Director of Finance and Administration
 - Director of Communications
 - Coordinator of Intercultural and Urban Ministries
 - Director of Camping and Retreat Ministries
 - Conference Secretary (with no vote)
- c. The representatives from the Status and Role of Women Action Team and the Commission on Religion and Race are also authorized to attend any meetings of the ministry teams or action teams as they deem necessary to fulfill their role in reviewing and evaluating the priorities of the annual conference for racial, ethnic, and gender inclusiveness.

10. Human Resources Team

- a. The members and team leader of the Human Resources Team will be nominated by the conference Elected Leader Team and elected by the annual conference. The team will be composed of no less than six and no more than nine members, one of whom will be the team leader. They will serve three-year terms with nine years the maximum length of service. Ex-officio members, without vote, include the Area Bishop, the Director of Ministries, the Director of Finance and Administration, and the conference Lay Leader.
- b. The team has responsibility, in consultation with the directors, for employing and supervising annual conference staff, developing and updating personnel policies, providing for a favorable work environment, and determining and submitting all staff and supporting office operation budgets.

11. Board of Ordained Ministry

- a. The Board of Ordained Ministry shall be composed of 42 members placed in two or three classes of four-year terms, nominated by the presiding bishop after consultation with the chairperson, executive committee, and Cabinet.
- b. The 42 members shall be so divided:
 - 24 from the order of elders, including the chair of the order and a cabinet representative
 - 8 from the order of deacons, one of whom shall be the chair of the order of deacons (One elder or one deacon may be retired. One elder or deacon shall be from an Extension Ministry.)
 - Up to two local pastors or Associate Members who have completed the Course of Study
 - 8 laypersons (can include one or more diaconal ministers)
 - Attention shall be given to the representation of women and ethnic persons
- c. The board shall have the following structure:
 - The board shall elect a chairperson, a vice-chairperson, secretary, registrar(s), and budget coordinator.
 - Executive Committee composed of the officers, chair of the order of elders, chair of the order of deacons, and conference related persons (elders and deacons)
 - Committees as needed
 - Interview teams as needed

12. Vision

“Where there is no vision, the people perish” (Proverbs 29:18, KJV). While this verse from Scripture may be overused, it remains true that every organization, if it is to thrive, needs a sense of who it is and where it is going. The term vision encompasses both these. “A well-conceived vision consists of two major components - core ideology and an

envisioned future" (Built to Last, Collins and Porras). If vision is vital to the life of our Annual Conference, from where will the vision come? Who will initiate the critical conversations about our vision and the necessary strategies to move toward our vision? Who has primary responsibility for articulating a compelling vision for our life together as Minnesota United Methodists? Lovett Weems asserts that, "the first duty of a leader is to lead in the establishment of an appropriate and shared vision" (Church Leadership). Who will provide such leadership for our annual conference?

The Bishop and Cabinet (to include the Director of Ministries and Conference Lay Leader as appropriate and as provided for in *The Book of Discipline*) will be the primary initiators of conversations around vision and strategy for our annual conference. *The Book of Discipline* seems to give this role to the superintending ministries of the church. The purpose of superintending is to equip the Church in its disciple-making ministry. Those who superintend carry primary responsibility for ordering the life of the Church (*BOD* ¶ 401). Among the specific responsibilities given bishops is to lead and oversee the spiritual and temporal affairs of The United Methodist Church which confesses Jesus Christ as Lord and Savior, and particularly to lead the Church in its mission of witness and service in the world (*BOD* ¶ 414). In his report to our annual conference in March 2002, Al Bamsey reiterated this key role for the bishop. Bishops are elected in part to lead the basic bodies of The United Methodist Church, specifically, the annual conferences. Part of this leadership is the responsibility to discern and articulate a vision or a set of goals for the areas to which they are assigned.

Beyond the Disciplinary language which encourages the Bishop and Cabinet to discern and articulate a vision for an annual conference, is the strategic placement of the Bishop and Cabinet in our conference. The Bishop and Cabinet are strategically placed in our conference structure for the initiation of vital conversations about vision and strategic direction. The Bishop and Cabinet have more frequent opportunities than most to interact with persons across the conference. This interaction is important because the formulation of a vision is a dialogical process. The process would entail initial articulation of vision and direction by the Bishop with the Cabinet, taking into account the variety of conversations with persons across the conference. The Bishop and Cabinet would then share this with the Annual Conference Leadership Team. From there the vision is shared with the Common Table Executive Body and then the Common Table as a whole. At each stage of the dialogue the vision will be refined. The Common Table affirms the vision and direction for the conference and this is then shared through the variety of communication means with the churches and their members of our Annual Conference. These persons offer constructive feedback which helps reformulate the vision and strategies, helping keep it fresh and compelling. The Bishop and Cabinet continue to have the primary role in the on-going articulation and reformulation of the vision and strategic direction for the conference. An annual time for discussion of vision and strategic direction will be designated within our Annual Conference (either within the Cabinet or within the Common Table schedule or both). As needed, outside resources will be consulted.

300. CONFERENCE OPERATIONAL PROCEDURES

01. Council on Finance and Administration

a. Operations Policies

- 1) The conference treasurer and the chair of the Council on Finance and Administration, the Director of Ministries, and an additional director may, any or all of them, be authorized by the Council on Finance and Administration to sign conference checks.
- 2) The blanket bond shall be maintained whereby the conference treasurer and other persons authorized to sign checks and handle money are covered by office and not by name.
- 3) The conference treasurer shall have custody of and disburse all conference funds and also the funds of all ministry units that are not separately incorporated. District funds not kept by the conference treasurer shall have an annual report published by the district with a copy to the conference treasurer.
- 4) At the end of every fiscal year, balances of all budgeted funds shall revert to the respective conference treasury reserves. Exceptions to this rule may be made on request to the Council on Finance and Administration if the funds have in fact been designated for specific purposes.
- 5) The Council on Finance and Administration will direct 50% of the unpaid prior year's apportionments (two years or older) to project(s) to be determined in consultation with the Common Table.

- 6) The conference treasurer shall perform the duties of treasurer as outlined in *The Book of Discipline* of the United Methodist Church, the minutes of the annual conference, and the directives of the Council on Finance and Administration. The conference treasurer may, with the approval of the Council on Finance and Administration, assume other responsibilities as may be requested or determined.
- 7) All employees of the conference, including district superintendents, will be compensated for all ordinary and necessary conference business expenses, including air and rail fare or automobile travel at rates determined by the Council on Finance and Administration and approved by the annual conference, and lodging while away from home.
- 8) The conference treasurer is authorized to borrow up to \$250,000 for conference operations. Any borrowing shall be repaid within the next fiscal year.
- 9) The total amount of the conference budget shall be increased annually by no more than the current three-year average of the annual increase in funds as reported in the summary of the Local Church Report to the annual conference, Table II, Financial Report, "Grand Total Paid" column.

b. Developing the Conference Budget

The procedure for developing the conference budget to be presented to the annual conference shall be as follows:

- 1) All proposals with financial implication to be brought before the annual conference for adoption shall contain the total conference financial consideration with verification by the Council on Finance and Administration.
- 2) In relation to the Ministry of Pastoral Support Fund (*BOD* ¶ 613.1) and the Ministry of Resource Management Fund (*BOD* ¶ 613.2), the Council on Finance and Administration shall function as described in *The Book of Discipline* (see *BOD* ¶ 612)
- 3) In relation to the World Service and conference Benevolence Fund (*BOD* ¶ 613.3), procedures will be as follows: The Council on Finance and Administration shall inform the Common Table of the total amount it recommends to be apportioned for the conference benevolence budget.
- 4) Budget requests from ministry units shall be submitted, on forms provided by the Common Table through the directors.
- 5) The Common Table or the Council on Finance and Administration or a committee designated by them shall conduct budget hearings.
- 6) The Ministry Teams will develop a budget according to program priorities and report the budget requests to the Council on Finance and Administration.
- 7) The Council on Finance and Administration shall receive the budget requests and prepare the total budget for presentation and recommendation to the annual conference. (See *BOD* ¶ 613)
- 8) In the event that Council on Finance and Administration determines a budget total that is below the maximum allowed by formula, the budget total may be subject to review by a "ceiling review committee," at the request of a conference structure or by action of the annual conference. This committee shall be named by the Bishop and shall be composed of the Director of Ministries, the conference treasurer, and one representative each from: Board of Pension and Health Benefits, Board of Trustees, Common Table, conference Lay Leader(s), Cabinet, Council on Finance and Administration, and an at large member of the Common Table. At least three of the latter seven shall be laypersons. The representative of the Council on Finance and Administration shall serve as convener. The "ceiling review committee" shall report its action to the annual conference session at the time of the initial presentation of the budget.
- 9) The report of the Council on Finance and Administration to the annual conference of the budget shall be received without motion for adoption until the entire budget proposal has been heard, including modifications that may be made by the Conference itself. Action on the total budget shall be taken after all amendments and budget proposals are considered. Requests for additional funds not included in the budget presented by the Council on Finance and Administration or changes within the budget shall be referred to the Council on Finance and Administration. The Council on Finance and Administration shall consult with the leaders of the ministry teams as to whether equitable adjustment can be made within the budgetary limitations and shall report to the conference for its action(s).
- 10) If the annual conference wishes to raise the budget maximum, the rule must be suspended by a 2/3-majority vote; specific items amending the proposed budget upward should then be submitted and voted upon one by one. When the total budget is before the conference, action shall be taken upon it.

- 11) The district superintendents' salaries shall be determined annually based upon 160% of the Conference Average Compensation minus the built-in housing allowance based on the figures supplied by the General Board of Pensions for that budget year. Actual utilities and/or a housing allowance shall be paid as determined by the Council on Finance and Administration.

c. Reserve Funds

To assist the conference in its operations, there are three reserve funds.

- 1) A General Operations Reserve Fund shall be established in support of normal conference activities. The primary purpose is to provide the working capital for daily operations, allow responsible budgeting by providing an interim allocations source, plus be a source of funds for unexpected exposures or opportunities arising between sessions. This fund shall have a minimum balance equal to 20% of the budgeted expenditures less any amounts where the premise is the amount received is the amount paid out. This percentage is applied to the reserve level at the beginning of the year compared to the expense level for that year. Where the amount is lower than the desired level, an amount equal to the difference up to 10% of the required reserve level is to be placed into the next year's budget to be apportioned. (It will not be included in the expense level for the next year in calculating the next year's relation to the 20 %.) Any excess in reserves will be used to assure the required levels for all RESERVE funds and in consideration of any projected needs that would reduce these funds below their identified bases. Interest earned on this fund will be used to support the General Operations, Legal and Capital Equipment and Improvement Fund in maintaining their minimum balances. Any additional available amount will be used to increase all three fund balances.
- 2) A Legal Reserve Fund of \$200,000 will provide a financial protection buffer to absorb significant and unexpected legal costs of the conference. This fund may be used at the direction of the bishop, dean of the Cabinet and Director of Ministries. Should any amount be used and the fund balance falls below the described level and if the shortfall cannot be recovered from operational reserves or other sources at the end of that year, the amount of shortfall shall be placed into the next budgeting process. Interest earned on this fund will be used to support the General Operations, Legal and Capital Equipment and Improvement Fund in maintaining their minimum balances. Any additional available amount will be used to increase all three fund balances.
- 3) A Capital Equipment and Improvement Fund of \$50,000 may be used for purchase of equipment or remodeling expense in support of conference operations. This disbursement would be in excess of any budgeted amount.

When funds are disbursed, replacement necessary to restore the fund to the \$50,000 level shall be from any excess general reserves at year-end, by budgeting the amount necessary in the next budget cycle or by funding the depreciation on the capital asset over a reasonable time period. Interest earned on this fund will be used to support the General Operations, Legal and Capital Equipment and Improvement Fund in maintaining their minimum balances. Any additional available amount will be used to increase all three fund balances. A team comprised of a Cabinet member, two trustees, two representatives of financial team, one member at large from the Common Table, the Director of Administration and Finance and chaired by the Director of Ministries shall be responsible for disbursements from the fund.

d. Administrative Policies for Ministry Units

- 1) Meals for members attending meetings called by ministry units will be paid for from the common pool for ministry teams to meet and/or common pool for training. Actual meal expense will be paid, but the total amount shall not exceed \$7 per meal or \$12 per day to help defray costs only. Actual lodging expense will also be paid, providing the amount does not exceed \$30 for one person or \$45 for two persons, and further providing that the individual(s) will need to leave home before 6 a.m. to attend a meeting. Receipts shall be required for all reimbursements except mileage.
- 2) Travel allowance for lay and clergy attending meetings called by ministry units is not intended to cover the total costs, but to help defray expenses at a rate that shall be recommended annually by the Council on Finance and Administration and approved by annual conference. Traveling together is encouraged whenever it is feasible. Payments shall be made by voucher. In no instance shall anyone collect in full unless he/she attends the entire meeting or is excused by the chairperson, nor shall a person be paid more than once for the same trip.

- 3) When on-site care is not feasible and spouse or volunteer care is not available, financial remuneration shall be made by ministry units to its members for dependent care (child and elderly) as a legitimate meeting expense. The amount to be paid shall be up to \$10.00 a day for one dependent and a maximum of \$15.00 a day for two or more dependents.
- 4) Each conference structure shall designate one person to serve as budget coordinator. Before the conference treasurer will make any payment, it shall be the duty of the budget coordinator to approve and review all vouchers for completeness and appropriateness. The conference treasurer will prepare monthly finance reports. Reimbursements for expenses from the previous year are due at the Finance Office the Friday following the 3rd Monday in January.
- 5) As required by *The Book of Discipline* of the United Methodist Church, all ministry units, agencies, colleges, or hospitals requesting authorization for a conference-wide appeal for funds from local churches must receive approval from the annual conference. These requests are to be reviewed annually by the Council on Finance and Administration and submitted to the annual conference.
- 6) Provisional Advance Special status (second mile giving approval) may be granted to new ministries between annual conference sessions upon the recommendation of the Mission Ministry Team and approval of the Common Table.
- 7) All reports to be published in the pre-conference publication and in the annual conference *Journal* should be kept as short as is consistent with clarity to reduce publishing costs. It is recommended that expressions of merit and words of appreciation be deleted from printed reports.

e. Administrative Policies for Local Churches

- 1) The conference treasurer will publish a complete list of all apportionments in the conference *Journal*. Each district superintendent (*BOD* ¶ 247.14) and the conference treasurer shall notify each local church of its conference apportionment.
- 2) Apportionments are a primary responsibility of each local church and take precedence over any special gifts or advance specials.
- 3) Local churches shall make monthly remittances to the conference treasurer.
- 4) All churches shall pay actual parsonage utilities for church-owned parsonages. (Utilities costs are considered a part of the housing allowance provided when no church-owned parsonage is provided.)
- 5) Churches shall pay automobile expenses of the pastor at least at the rate established by the annual conference on the actual per mile basis for the church related travel.
- 6) The conference treasurer will close the conference financial books by January 10, and churches should have final remittances to his/her office by that date.
- 7) No later than September 1 of each year, the Council on Finance and Administration shall indicate to each church its apportionment for: Clergy Support Fund, *BOD* ¶ 614.1; Administration Fund, *BOD* ¶ 614.2; and World Service and conference Benevolence Fund, *BOD* ¶ 614.3 and ¶ 812.
- 8) Should there be errors in factors used in calculating apportionments, a letter explaining this should be sent to the district superintendent and the conference treasurer's office prior to January 15 of the year being adjusted.
- 9) Release from unpaid apportionments: Unpaid apportionments remain a responsibility until paid unless released. Beginning in the 2001 annual conference year, all churches who pay their annual conference apportionments in full and have any unpaid prior years' apportionments will receive a 25% release per year.

02. Conference Board of Pension and Health Benefits

a. Administration

- 1) The Conference Board of Pension and Health Benefits (CBOPHB) shall be governed by *BOD* ¶ 639 and ¶ 1506-1509.
- 2) It is recommended that there be eighteen members on the CBOPHB, one-third clergy (one of whom shall also be a member of the Board of Ordained Ministry), one-third laywomen, and one-third laymen, elected for terms of eight years.
- 3) The plan for pension program in the Minnesota Annual Conference shall be presented annually by the CBOPHB for conference approval.

b. Pension Contributions

Pension contributions will be paid by the salary-paying unit as follows:

- 1) Modified direct billing paid to the Minnesota Annual Conference for **the Clergy Retirement Security Program (CRSP)**: An ordained minister's plan compensation is the sum of cash salary received from the church related sources, housing allowance (or when a parsonage is provided, 25% of the cash salary), and any tax-deferred annuity contributions paid by the salary paying unit during the year.
- 2) The contribution base is the ordained minister's plan compensation for the year, not to exceed the Denominational Average Compensation.
- 3) The church contribution rate shall be 12% of the ordained minister's contribution base each year.
- 4) Direct billing paid to the General Board of Pension and Health Benefits for **the Personal Investment Plan (PIP)**: The amount by salary reduction agreement that is submitted by the pastor is the pastor's personal contribution, either on a before tax or after tax basis.

c. Long Term Disability and Death Benefit

- 1) The Death Benefit Program, as of January 1, 1982, will be provided by the Comprehensive Protection Plan (CPP).
- 2) Modified direct billing paid to the Minnesota Annual Conference for the Comprehensive Protection Plan (CPP): The church contribution rate shall be 4.4% of the contribution base for each fulltime participant.
- 3) The contribution base for the Comprehensive Protection Plan (CPP) may be up to twice the Denominational Average Compensation.
- 4) Special arrangements: Participation for $\frac{3}{4}$ time appointed and eligible clergy is mandatory. Participation for $\frac{1}{2}$ time appointed and eligible clergy is optional. Contact the Benefits Officer for premium rate.

d. Hospitalization/Health Plan

There shall be a Group Hospitalization and Health Plan in the annual conference.

- 1) The CBOPHB shall present, annually, a summary of benefits and annual premiums to the annual conference.
- 2) The premium cost to local churches on behalf of their pastors shall be subsidized by an amount determined by the CBOPHB and approved and paid by the annual conference.
- 3) The premium cost to ministerial members receiving disability benefits shall be subsidized by an amount determined by the CBOPHB and be approved and paid by the annual conference.
- 4) The premium cost to retired pastors shall be subsidized by an amount determined by the CBOPHB and be approved and paid by the annual conference.

e. Medical/Incapacity Leave

Incapacitation means that a clergyperson under appointment to a local church or charge is judged by the District Superintendent and the Staff/Pastor Parish Relations Committee to be unable to perform the duties of the appointment because of illness, surgery, or accident. The period for medical/ incapacitation leave shall be no longer than 26 weeks or until it is determined that the clergy person applies for disability benefits through the Comprehensive Protection Plan.

There shall be a Medical / Incapacitation Leave Compensation Program in the Minnesota Annual Conference.

- 1) Medical leave compensation means financial assistance provided by the Minnesota Annual Conference through its Board of Pension and Health Benefits (CBOPHB) to a church or other funding entity (charge, district or annual conference) within the conference connectional structures when an appointed clergyperson, because of impaired health (illness, surgery or accident), is judged by the Cabinet to be temporarily unable to perform the essential duties of the appointment.
- 2) Incapacitation leave compensation means financial assistance provided by the Minnesota Annual Conference through its Board of Pension and Health Benefits (CBOPHB) to a church or other funding entity (charge, district or annual conference) within the conference connectional structures when an appointed clergyperson, because of extended impaired health (illness, surgery or accident) beyond the medical leave compensation program, and documented by the physician stating the clergy is unable to perform the essential duties of the appointment in writing to the District Superintendent.
- 3) Incapacitation leave with application of disability benefits from the Comprehensive Protection Plan. In accordance with *BOD ¶ 357.1, "When a clergy member is granted incapacity leave by the annual conference,*

if the medical evidence has not yet met the standards for receipt of benefits as set forth in the Comprehensive Protection Plan, section 5.04, the Conference Board of Pensions may authorize payment of benefits in the amount that would otherwise be payable from the Comprehensive Protection Plan.” When a clergy member applies for disability benefits from the Comprehensive Protection Plan and the Conference Board of Pensions authorizes payment of benefits, known as a conference grant, the medical/incapacitation leave compensation program will end and the clergy member’s appointment will be to incapacitation leave. Financial responsibility for medical premiums changes to the eligibility/subsidy policy for clergy appointed to incapacitation leave receiving benefits from the Minnesota Conference or from the Comprehensive Protection Plan.

- 4) When a clergy member identified for a change of appointment is on medical/incapacitation leave or with the intention of applying for disability with benefits from the Comprehensive Protection Plan, the clergy’s local church appointment will end when the local church appointment receives a newly appointed clergy. The clergy will apply for benefits with conference grant in the amount that otherwise would be payable from the Comprehensive Protection Plan while the application is under review. If approved the Comprehensive Protection Plan will be responsible for benefits, if not approved for Comprehensive Protection Plan benefits, the conference grant will end with a maximum of 26 weeks of medical/ incapacitation compensation.
- 5) Conference Board of Pension and Health Benefits compensation for a medical leave or incapacitated clergyperson shall be provided with the following stipulations:
 - a. Throughout any period of medical/incapacitation leave the entity funding the position shall always provide housing and utilities for the clergyperson until the appointment is changed.
 - b. Through the first 8 weeks of incapacitation the funding entity shall, in addition to housing and utilities, continue to provide full support (i.e. salary at the current level, health insurance, Clergy Retirement Security Program - CRSP, and Comprehensive Protection Plan - CPP). For this 8 week period, however, the Conference Board of Pension and Health Benefits, when requested by the Cabinet, may provide funds for pulpit supply or other services essential to the position. The Cabinet’s request shall include a brief description of the need for financial assistance as well as identifying the effective date of the clergyperson’s incapacitation status.
 - c. Following the first 8 weeks of incapacitation, the funding entity shall continue to provide housing and utilities for the pastor, but the Conference Board of Pension and Health Benefits, when requested by the Cabinet, may fund the incapacitated clergyperson’s CRSP, Comprehensive Protection Plan, church share of health insurance premium, and salary support at the applicable equitable compensation level (not the clergyperson’s current salary level). Funds for pulpit supply or other services integral to the position are no longer provided unless the incapacitated clergyperson’s compensation assistance is only partial and the Cabinet regards funding of pulpit supply or other services provided by the particular funding entity to be essential for the missional needs of the Minnesota Annual Conference.
- 6) Should there be a Recurrence of Incapacitation within the same funding entity, the following shall apply:
 - a. No local church, charge, district or annual conference funding entity shall be required to provide more than 8 weeks of full support for incapacitation within any five year period. Accordingly, whenever a clergyperson is placed on incapacitation and the funding entity, because of a previous incapacitation, fulfills its five year obligation of full support for 8 weeks prior to completion of full support for the first 8 weeks with the current incapacitation, the Comprehensive Protection Plan will at that point offer the financial assistance which ordinarily begins only after the first 8 weeks of incapacitation. In this circumstance, until the first 8 weeks of incapacitation are completed, the Comprehensive Protection Plan will compensate salary at the current level; after the first 8 weeks, the salary component reverts to the applicable equitable compensation level.
 - b. In the case of recurrence, funds ordinarily provided for pulpit supply or other essential services are reduced in proportion to the funds which the Comprehensive Protection Plan provided in the first 8 weeks for the incapacitated clergyperson’s compensation.
- 7) The period for medical / incapacitation leave compensation shall be no longer than 26 weeks:
 - a. Medical / incapacitation shall be considered a continuation if recurrence takes place within 13 weeks of resumption of essential duties and results from, or is contributed to, by the same or related causes as those of the previous medical/ incapacitation.

- b. The status of a clergyperson on medical/ incapacitation compensation shall be reported monthly by the Cabinet to the Comprehensive Protection Plan.

In any situation, the Conference Board of Pension and Health Benefits will pay no more than 26 weeks of medical/incapacitation/or conference grant compensation for a clergy member in a five year period without written request by the Cabinet on the special circumstances and must be approved by the Comprehensive Protection Plan.

03. Board of Ordained Ministry

a. Requirements and Admission

- 1) No applicant for admission into full membership shall be accepted unless he/she shall have served three years under full-time appointment in the Minnesota Conference with a written evaluation of those years of service from the district superintendent to the Board of Ordained Ministry. (Exception to this rule may be made only by three-fourths vote of the members of the Board of Ordained Ministry present and voting and a three-fourths vote of the ministerial members of the Conference present and voting.)
- 2) An ordained minister seeking admission into full membership on credentials from another denomination shall be a probationary member for at least two years.
- 3) Relationships and Qualifications: The Board of Ordained Ministry appointee to the District Committee of Ordained Ministry may be the secretary of the district committee. The appointee shall submit a copy of all district, conference and/or district committee actions to the resident bishop, the conference board registrar for candidacy, and to the district superintendent.
- 4) Clergy Sexual Misconduct: The Board of Ordained Ministry, or its designee, shall report to each plenary session of the annual conference the number of new cases and the number of ongoing cases of clergy sexual misconduct since the previous session.

04. Equitable Compensation Action Team – BOD ¶ 625

a. Administration

- 1) The executive secretary shall be elected by the action team at the first meeting of the calendar year and shall keep accurate records of all transactions of the action team. Official information and answers to questions shall be channeled through the executive secretary or chairperson of the action team.
- 2) The conference treasurer shall be treasurer of the action team and serve as an advisory member.

b. Compensation Funding Procedures

- 1) Charges unable to meet base cash compensation may be temporarily assisted by receiving a grant from the Equitable Compensation Fund. (Charges needing more than temporary assistance are encouraged to consult with the Cabinet for alternatives rather than receiving funds from the Equitable Compensation Fund.)
- 2) A single church charge with paid program staff other than the pastor will not be aided.
- 3) Each pastor who is in good standing and who is appointed to full time service shall have claim upon the Conference Equitable Compensation Fund and a right to receive no less than base cash compensation established by the annual conference for persons in full time service (*BOD ¶ 342.1*).
- 4) Each pastor who is in good standing and who is appointed by the bishop to less than full time service shall have a claim upon the conference Equitable Compensation Fund in one-quarter increments according to the guidelines established by this action team (*BOD ¶ 342.2*).
- 5) Student pastors do not have claim upon the conference Equitable Compensation Fund.
- 6) Permanent deacons do not have claim upon the conference Equitable Compensation Fund unless licensed and serving as a local pastor.
- 7) Agreements between district superintendents and Staff/Parish Relations Committees for Equitable Compensation support when a new pastor's compensation level is different than the predecessor's level have priority in the use of the portion of funds the Investing in Congregations Team has earmarked for Equitable Compensation Funds. Further, these agreements may supersede the policies outlined in subsections 1 through 6 outlined above.
- 8) The procedures for and granting of Equitable Compensation Funds of the annual conference are the responsibility of the Investing in Congregations process as assigned by action of the 2007 annual conference session.

- 9) Every church receiving base cash compensation assistance will receive Directorship guidance. Each church of our conference is expected to have an annual, systematic financial commitment program, with a presentation of program and budget to every member.
- 10) Because of our connexional system, each church receiving base compensation assistance shall be up-to-date on apportionments.

c. Grant for Partial Reimbursement of Tax Liability for Moves of Less than 50 Miles

In order to help offset the tax liability of moving costs when a move is less than 50 miles, the Equitable Compensation Action Team will notify those who qualify for applying for such a grant. Grants will be determined by tax liability incurred and the number of completed applications. The completed application will include complete documentation of the additional tax liability incurred due to the move. In no case will a grant be more than \$500.

d. Yoked Charges

When a charge of the Minnesota conference is yoked with a church of another denomination and served by a pastor who is member of the Minnesota Annual Conference of The United Methodist Church, the base compensation shall be determined by the provisions of this conference, but when the charge is served by a pastor of the other denomination the base compensation shall be determined by the provisions of the denomination to which the pastor belongs.

05. Conference Sexual Misconduct Policy

a. Lay Employees and Volunteers

1) Theological Context

As members of the Minnesota Annual Conference of the United Methodist Church, we confess our love for God as the source and giver of all life, as the Holy One with sole authority over life and final power over death. We acknowledge God's self-revelation in acts of mercy and justice in the Church's witness to Jesus as God's decisive self-revelation; as evidenced in the Hebrew and Christian Scriptures; throughout the created order; within the movement of history; and in the broader context of human relationships.

Further, we know ourselves to be created in God's own image. As creatures of God, together with the example of perfect humanity given to us in Jesus, we are called to live in right relationship with God, with one another, and with ourselves (The Great Commandment, Mark 12:29-31). As the prophet instructs, we are called to "do justice, love mercy and walk humbly with God" (Micah 6:8). This calling to live in the fullness of our God-created humanity requires that we sustain a vital relationship to God so that we may maintain the dignity of all life, and treat each other with respect.

As we increase in our awareness of the many instances of sexual misconduct occurring within as well as outside of the Church, it is imperative we recognize the following:

- Human sexuality is a gift from God for the enhancement, not the degradation, of human life.
- All powers, capacities and gifts of the human person are given by God and must be exercised with consideration and respect due to self, others and God.
- The commission of sexual exploitation, harassment and abuse constitute sin against God, against the Church, against one another, and against the integrity of the self.
- The Church, as ordained by Christ, is intended to be a Spirit-inspired arena for confronting and confessing of human sinfulness; for healing all human brokenness, including the brokenness caused by sexual violations and experienced by victims, by offenders, and by the larger witnessing community.

We recognize that while we are in need of God's redemptive grace, we must remain committed to providing just and merciful responses to instances of sexual misconduct in the church, whether understood to be exploitation, harassment, or abuse. We must acknowledge to ourselves and to God the need for restoration of what is broken and lost when any member of the body of Christ is sexually violated by another. Finally, we recognize our commission as members of Christ's body to be healing

agents of justice for victims of sexual misconduct, as well as for offenders, families, congregations and others affected by such violation.

2) Standards of Conduct

The following Standards of Conduct, which underlie this policy, apply to lay employees and volunteers in the annual conference, such as committee members, camp counselors and conference youth workers. The moral and ethical expectations for ordained clergy are specified in *The Book of Discipline*. Our expectations for healthy, ethical conduct include:

- a. Persons are responsible for avoiding misconduct of a sexual nature by establishing and maintaining appropriate personal and social boundaries in all interpersonal relationships.
- b. Persons are responsible for their conduct regarding the emotional, spiritual and physical protection of all persons who come to them for help or over whom they have any kind of authority.
- c. Persons shall strive to be as psychologically, emotionally and spiritually healthy as possible at all times, and have adequate preparation and education for helping those individuals under their care and know when to make appropriate referrals.
- d. When bringing incidents of sexual misconduct to the attention of proper authorities, the greatest possible care shall be taken to assure that the least possible additional harm is done to the complainant, respondent, and/or victim(s), and the congregations. In no case is the person reporting expected to judge the validity of the reported complaint. Secrecy and withholding of information about sexual misconduct allows damage to continue to grow.
- e. Misconduct of a sexual nature breaks the sacred trust that is inherent in all ministries of the Church. Such misconduct is a violation of the ministerial relationship, in which a person in a position of religious leadership takes advantage of, rather than protecting, another person. The General Conference names "sexual harassment and sexual abuse within the ministerial relationship as incompatible with biblical teachings of hospitality, justice and healing and will continue its efforts to eliminate sexual harassment and abuse in the denomination and its institutions."
- f. It is our understanding that misconduct of a sexual nature means any sexual conduct that is contrary to the ethical principles of The United Methodist Church, as defined by *The Book of Discipline*, or is unlawful as defined by the laws of the State of Minnesota. Misconduct of a sexual nature includes, but is not limited to, sexual abuse and sexual harassment. It is also the understanding of the Minnesota Annual Conference that retaliation in response to a report of sexual misconduct is a continuation of the original instance of the sexual misconduct.

3) Definitions of Sexual Misconduct

- a. **Sexual abuse** includes criminal sexual conduct or sexual contact by force, threat, or intimidation that is in violation of the Minnesota Criminal Sexual Conduct Code. As it applies to adult/child or vulnerable person interactions, sexual abuse is the subjection of a child or vulnerable adult by any person responsible for their care to any sexual act that is a violation of the Minnesota Criminal Sexual Conduct Code. To uphold the moral standard of The United Methodist Church as defined by this document and *The Book of Discipline*, no person less than 18 years of age or any vulnerable adult may give consent to sexual acts.
- b. **Sexual harassment** is defined by The United Methodist Church (*BOD* ¶ 161 section I) as "any unwanted sexual comment, advance or demand, either verbal or physical, that is reasonably perceived by the recipient as demeaning, intimidating or coercive. Sexual harassment must be understood as an exploitation of a power relationship rather than as an exclusively sexual issue. Sexual harassment includes, but is not limited to, the creation of a hostile or abusive working environment resulting from discrimination on the basis of gender." For the purposes of this policy, we acknowledge that sexual harassment may occur in any environment where the work of the church takes place.
- c. **Sexual misconduct** may also take the form of an abuse of power through sexual contact or activity (not limited to sexual intercourse) which exploits the vulnerability of a parishioner, client or staff person, or causes/allows those persons to engage in sexual behavior with a person who is in a professional relationship (whether paid or unpaid) to the annual conference.

d. Sexual misconduct may also include any sexual contact or activity (not limited to sexual intercourse) between a person in a therapeutic or a counseling role/relationship with a congregant/client. It may include being asked to date the counselor or any representation by a counselor that sexual contact will help in dealing with the emotional struggles the client is having. (This is called “therapeutic deception.”) Consent by the complainant is not a defense. Such behavior is illegal under Minnesota law, as is sexual contact by a person who is, or claims to be, clergy with someone during private meetings for spiritual aid and comfort.

4) Reporting Misconduct of a Sexual Nature

It is encouraged that any instances of suspected or actual misconduct of a sexual nature on the part of the individuals named above be reported to either the bishop or one of the district superintendents. Investigation is not the responsibility of the person reporting such misconduct.

5) Commitment to Action

The Minnesota Annual Conference commits itself to:

- 1) Seek justice in all cases of sexual misconduct;
- 2) Emphasize reconciliation and resolution as the continuing goal of this process;
- 3) Provide trained individuals to serve as advocates and/or support persons for all aggrieved parties including the complainant, respondent and congregation involved;
- 4) Provide a program of ongoing education and training for local congregations on the nature and scope of sexual harassment, sexual abuse, and sexual misconduct;
- 5) Provide a series of ongoing training sessions for clergy, conference staff and volunteers which will promote proactive measures designed to lower the risk of sexual misconduct on the part of these individuals;
- 6) The wide dissemination of this policy along with additional materials that will aid in the understanding of the roles and processes outlined in *The Book of Discipline*.

b. Clergy

STATEMENT OF PURPOSE

The Minnesota Annual Conference of the United Methodist Church is committed to the wellbeing of all United Methodists in the conference and to maintaining healthy relationships between all clergy (elder, deacon, local pastor, student local pastor, lay persons serving in a pastoral capacity) and the persons they serve. When a clergy person engages in sexual misconduct, this commitment requires the conference to act as fairly and as quickly as possible so that healing can begin.

The goals of the conference’s procedure for dealing with claims of clergy misconduct are:

- Above all, to protect the vulnerable by preventing further abuse from occurring.
- To seek a clear understanding of events by providing the accuser and the accused the opportunity to discuss the alleged misconduct.
- To seek justice by acknowledging when a victim has been wronged and holding the offender accountable through the appropriate discipline.
- To encourage the victim and offender to receive appropriate counseling or treatment to facilitate healing.
- To restore the well-being of the congregation and others who have been affected.
- To treat everyone involved with fairness, respect and compassion that our faith demands.

DEFINING CLERGY SEXUAL MISCONDUCT: WHAT IT IS AND WHY IT IS WRONG

Any sexual contact or sexualized behavior between a pastor and a person with whom he or she has a professional relationship is clergy sexual misconduct.

Because clergy persons are in a position of trust and authority, there is an imbalance of power between a pastor and a person with whom the pastor has a ministerial relationship. Although the imbalance is greatest when someone has sought the advice or counsel of a pastor in a time of stress, it is inherent in the ministerial relationship and is always present.

Because of this unequal power, a parishioner or employee cannot give meaningful consent to sexual contact with a pastor. No matter who initiated the contact, it is the pastor's responsibilities to maintain the proper boundaries of the relationship. A pastor who initiates sexual contact or allows it to occur has crossed the boundaries and committed a breach of professional ethics.

Clergy sexual misconduct includes actual sexual assault and sexual intercourse. It also includes more subtle contact. This conduct may be physical contact or verbal behavior, including behavior that creates a hostile or intimidating environment and the explicit or implicit use of authority or power to coerce someone into sexual contact.

The statements on clergy sexual misconduct also apply to any person serving as ministers or counselors, or in other positions of power or authority in the local church or annual conference, which can include both laity and clergy in a variety of circumstances.

IS SEXUAL CONTACT WITH MY PASTOR EVER APPROPRIATE?

It is not unusual for a member of a congregation to feel attracted to his or her pastor. There is nothing wrong with you just because you have these feelings. If you express your feelings, it is your pastor's professional responsibility to explain why a relationship would be inappropriate. He or she should do so in a manner that respects your feelings and does not make you feel bad about yourself. In other words, by "rejecting" you, your pastor is maintaining the integrity of the ministerial relationship between the two of you.

It is extremely complicated and never advisable for a pastor to enter into a romantic relationship with a member of his or her congregation. If there is a mutual interest and relatively equal power between the pastor and the parishioner (which there must be in order for meaningful consent by the parishioner to be possible), the pastor may ethically pursue the relationship only after fully removing himself or herself from the ministerial relationship with the parishioner. This is done by the pastor notifying the superintendent of his or her intention to enter into this relationship, and then for either the pastor or the parishioner to leave that congregation. If the pastor has ever served as counselor to the parishioner, it will be very difficult to divest himself or herself of the ministerial office in relationship to this parishioner.

Unwillingness by the pastor to be open and honest with the congregation about the relationship may indicate that manipulation is present and that a healthy relationship is not possible.

OPTIONS FOR REPORTING CLERGY MISCONDUCT

If you feel you have been the victim or a witness to clergy sexual misconduct, your first step to report it is to contact the bishop of the Minnesota Annual Conference or one of the superintendents. They will inform you of the procedures for filing a complaint. Their names, addresses and phone numbers and e-mail addresses will be made available in a brochure. You may also find the Complaint Procedures in *BOD* ¶ 363.

If you are a victim of clergy sexual misconduct, we do have trained advocates who can walk with you through the complaint process and help you find resources to begin your healing. These persons have been trained to provide such assistance and are not employed by the annual conference. The role of the Advocate is to be an ally, listener, helper, clarifier and supporter. They are not a judge, therapist, lawyer, decision maker, rescuer, or mediator. You are not required to use one of our trained advocates, and are welcome to identify for yourself a person to serve as your Advocate in the complaint process.

06. Conference Moving Policy

a. Scope of Responsibility and Membership of Action Team

The moving of household goods for clergy families of provisional and full members of the annual conference, deacons and local pastors appointed to congregations will be under the supervision of the Moving Action Team. The annual conference will elect the Team Leader, who shall be the director of moving.

b. Procedures and Policies

- 1) The Minnesota Annual Conference shall be responsible for moving the households of clergy under appointment within the boundary of the Minnesota Annual Conference, subject to the following stated limitations. The Minnesota Annual Conference shall be billed directly, with any charges over the stated limitations to be reimbursed by the clergy, who shall pay this overage amount to the Minnesota Annual Conference within 30 days of the Conference billing. For overages exceeding \$500.00, a monthly payment plan can be established so as to not produce a financial hardship.
- 2) This moving policy and its limitations shall apply to clergy coming directly from seminary, local pastors, provisional members, full elders and deacons appointed to a local congregation with the Minnesota Annual Conference. (Should storage be required due to the variance of graduation and the moving date, contact should be made with the District Superintendent or the Director of Moving.)
- 3) The Minnesota Annual Conference shall provide insurance coverage for clergy household goods while they are being moved. This coverage will be \$1.25 per pound. (Example: 10,000 lb. load will have \$12,500 worth of coverage.) Additional insurance will be made available from the mover.
- 4) The Minnesota Annual Conference shall, on the recommendation of the Moving Action Team, employ one moving company, associated with a nation-wide carrier, to schedule and move clergy household goods, in consultation with the Director of Moving and the Cabinet. (The mover is Metcalf-Mayflower Moving and Storage Co., Inc.)
- 5) In compliance with IRS rules, the Minnesota Annual Conference will issue a 1099 Miscellaneous Income form to all retiring clergy and those moving to a new appointment that is 50 miles or less from the previous appointment (the IRS considers these commuter moves and not necessary). To help offset the tax liability, a grant may be available through the Equitable Compensation Team. Contact the Director of Moving for details.

c. Limitations

- 1) Maximum Weight: 14,000 POUNDS. Clergy Couples: 16,500 pounds.)
- 2) Limit for packing material, packing, and wardrobe service is \$300. (Clergy Couples: \$400) Materials can be secured through the conference mover at significant savings or through reimbursements with receipts.
- 3) MAXIMUM for moves within the Greater Twin City (7 county) area shall be 13 hours of tariff (3 persons and a van) because an hourly rate is charged for metro moves. Should extra stops for pickup and delivery be necessary, the annual conference is limited to 1 and 1/2 hours of tariff in addition to the 13 hours.
- 4) For retiring and/or retired clergy and spouses, or surviving spouses of clergy who have died while in active pastoral service, the annual conference shall pay the moving expense **for one move only**. The MAXIMUM claim allowed for such moves shall be \$3,200.00 (moving and packing supplies). The annual conference shall not be responsible for any expenses incurred over the \$3,200 MAXIMUM (*The \$3,200 figure was adopted in 2011, based on the average cost of moves within the boundaries of the State of Minnesota.*) **This benefit will be available for up to five years from the date of retirement.**
- 5) Payment for one extra pickup and delivery will be allowed in those situations where the clergy's study/office is not located in the pastor's residence.
- 6) Payment by the annual conference SHALL NOT cover storage, servicing appliances, warehousing, handling in and out of warehouses, or storage insurance for any move.
- 7) Payment by the annual conference SHALL NOT cover lodging, dining, and gasoline expenses incurred for those using the Conference Mover or another national mover. For those moving themselves, special consideration may be given in consultation with the Director of Moving.
- 8) Items to be moved must be free from pests, such as fire ants and fungus. The annual conference and its designated moving company shall not be held responsible for refusing to move any items containing or infested with insects or other pests.
- 9) When clergy in effective relation is appointed to a one-year sabbatical leave, there will be a MAXIMUM of \$2,500 (*figure adopted in 2011*) allowed for moving and/or storage of household goods. Of this amount, up to \$700 will be paid at the time of the move, and the balance will be payable upon return to the Minnesota Annual Conference for appointment to a local church or conference staff position, upon submission of authorized bills.

- 10) Intra parish moves (i.e. moving to a different parsonage while still serving the same appointment) are not to be covered by conference funds, and such disbursements of funds will not be approved by the director of moving.
- 11) Adjustments in the Moving Policy of the Minnesota Annual Conference and moving expenses may be made upon recommendation of the Cabinet and/or the Moving Action Team to the Director of Moving.

07. Designation of Conference Advance Specials, Special Askings and Other Askings

- a. *Conference Advance Special* – Designation of Advance Special status allows a group to solicit for funds in the annual conference. It means that a ministry has the endorsement of the Minnesota Annual Conference. It means that the annual conference believes the ministry is compatible with the mission/teachings of The United Methodist Church and that the conference encourages congregations to support these ministries. Conference Advance Special status is recommended by the Missions Ministry Team and approved by the annual conference session.
- b. *Special Askings* are institutions, agencies or ministries that have been given the right to send, with the apportionments to each church a suggested amount for the ensuing year. Special askings status is recommended by the Council on Finance & Administration Team upon application by the requesting institution, agency or ministry and approved by the annual conference session.
- c. *Other Askings* are institutions, agencies or ministries that have been given permission to solicit funds from local churches once each year. Other askings status is recommended by the Council on Finance & Administration Team upon application by the requesting institution, agency or ministry and approved by the annual conference session.
 - 1) In all three categories above, one set of mailing labels for churches will be provided upon request per year without cost. Additional sets are available at a cost of \$10 per set. At no time will labels or names of individuals in the conference database be provided. All other costs associated with soliciting the churches shall be borne by the institution, agency or ministry undertaking the solicitation.

400. LOCAL CHURCH OPERATIONAL PROCEDURES

01. Local Church Legalities

a. Insurance Coverage

- 1) All churches will carry worker's compensation insurance for all employees, including the pastor(s).
- 2) All churches will make adequate provision for automobile liability insurance covering all cars that may be used for transporting persons or groups in activities under church sponsorship.
- 3) All churches are encouraged to consider the necessity of carrying malpractice insurance.
- 4) All churches will carry adequate fidelity bonds on elected officials responsible for funds in the local church.
- 5) The pastor shall pay the Social Security Self-Employment Tax.

b. Local Church Election and Tenure of Office

It is recommended that a charge conference or church conference be held in November, December, or January for the purpose of electing the officers of the local church. The various organizations within the church shall hold elections of officers no later than the time of the charge conference or church conference except as otherwise provided. The tenure of office shall begin in the month of January (*BOD ¶ 721.1*).

c. Lists of Members and Officers

All person's names used in conference, District or other mailings and lists of officers, including the local church, will be their lawful name and not nickname.

02. Pastoral Support and Service

a. Appointment Increment Guidelines

It is the assumption that all appointments are full time. In the event that they are not, then appointments are made in $\frac{1}{4}$ increments.

In order to provide guidance for all appointment increment levels, the following guidelines apply to $\frac{1}{4}$ time, $\frac{1}{2}$ time, $\frac{3}{4}$ time, and full-time appointments, applying the "Rule of Thirds" when scheduling any given work day

(The Rule of Thirds divides a day into three segments, approximately four hours each – morning, afternoon and evening).

- $\frac{1}{4}$ time is Sunday plus 2 segments
- $\frac{1}{2}$ time is Sunday plus 4 segments
- $\frac{3}{4}$ time is Sunday plus 7 segments
- Full-time is Sunday plus 9 segments

A normal work week would be

- 11 to 13 hours for $\frac{1}{4}$ time
- 21 to 23 hours for $\frac{1}{2}$ time
- 32 to 34 hours for $\frac{3}{4}$ time
- 42 to 45 hours for full time

A full time pastor and charge is urged to support a schedule that allows two days off per week.

Given the nature of parish ministry, when emergencies arise these guidelines may be violated, but if that happens it is assumed that compensatory time off will be taken in the following week or weeks.

Pastors are encouraged to do a time-study two weeks each year sharing those results with the Staff/Parish Relations Committee.

Pastors are also encouraged to share quarterly what have been the major foci of their pastoral work during the previous quarter with the Staff/Parish Relations Committee.

It should be noted that studies indicate that effectiveness drops dramatically when a work week surpasses 55 hours. Effective ministry is of at least equal importance to the hours worked.

b. Cash Compensation

- 1) Cash Compensation, the process of setting the pastor's compensation, is a task that many churches find the most difficult part of the budget process.
 - a. The Staff/Pastor Parish Relations Committee (S/PPR) has one of the most important roles in the process. Recommendations of the S/PPR are presented to the church council. Budget items are reported to the Committee on Finance to be incorporated in the proposed budget for the coming year. The S/PPR's recommendations and the total budget are then considered by the church council.
 - b. The resulting decisions are presented to the charge/church conference for final approval. The chairperson of the charge/church conference will lift the compensation of the pastor(s) out of the budget for individual passage.
 - c. Adequate time must be allowed for this important decision making process. By meeting with the pastor(s) at least four times year a relationship can be built allowing for open communication and frank discussion which will create better understanding. Early in September, four months before the beginning of the fiscal year, is an appropriate time to start considering compensation for the coming year.
 - d. In order to share in the process each pastor and staff member should meet individually with the S/PPR Committee. Try to make this an experience of affirmation. We all function better in an atmosphere of support.

- e. To consider the appropriate compensation for your pastor(s), you may want to examine support levels of churches of similar size in your area from the reports in the conference *Journal*. Membership figures will be found in the Statistical Reports and pastor's compensation in the Financial Reports
- f. You may also want to make inquiries of compensation of similar size congregations in your community, or consider the income of other professionals of like educational preparations.

2) Base cash compensation

- a. There shall be a base cash compensation for each charge of the conference to be calculated upon two factors: Minimum cash compensation and increments for seniority of the pastor.
- b. The minimum base compensation for 2016 is defined as the 2015 base compensation of \$35,741 plus the Cost Of Living Adjustment (COLA) used by the federal government for the year we are in (that is, the Cost Of Living Adjustment announced last October for 2015 SSA, which was 1.7%).
- c. In addition there is a step increase of \$700 for years of service for the first 8 steps. In keeping with our ongoing policy, the first step normally begins on January 1 following 18 months of service in the Minnesota Annual Conference.

<i>Base</i>	<i>\$36,349</i>
<i>1</i>	<i>37,049</i>
<i>2</i>	<i>37,749</i>
<i>3</i>	<i>38,449</i>
<i>4</i>	<i>39,149</i>
<i>5</i>	<i>39,849</i>
<i>6</i>	<i>40,549</i>
<i>7</i>	<i>41,249</i>
<i>8</i>	<i>41,949</i>

- d. In considering additional compensation beyond these steps noted above the S/PPR is encouraged to consider the announced Cost Of Living Adjustment and merit increases in their mutual negotiation with the pastor.
- e. Further, this proposal does not intend to reduce current compensation levels recommended by S/PPR and approved by the Church/Charge Conference during the ongoing tenure of a pastoral appointment.
- f. Further, in recognition of the financial realities and to allow for flexibility in the appointment process, exceptions to above equitable compensation policy can be approved by a $\frac{3}{4}$ vote of the Cabinet and the voluntary consent of the pastor involved.
- g. Seniority for clergy from other denominations and communions who have had their orders recognized by the Minnesota Annual Conference shall have their seniority status established by the Cabinet before their first appointment in the Minnesota Annual Conference. The Cabinet is urged to consider years of service in the ministry exercised in other denominations, especially those coming from the churches of the Commission on Pan-Methodist Cooperation and Union and other member churches of the Churches Uniting in Christ (See *BOD* ¶ 625.10).

c. Housing Policy

The historic parsonage system is the basic housing policy. In recognition of changing circumstances which may indicate that the basic policy of a church-provided parsonage may not be desirable in every situation, provision for exceptions may be made.

All pastors as defined by *BOD* ¶ 339 serving half time or more in local churches, all conference staff members who are clergy and district superintendents shall be provided housing. Housing of clergy is for the convenience of the local church or the annual conference and may be in the form of a parsonage or a housing allowance, whichever best enables the various ministries and the itinerant ministry of the annual conference.

- 1) The guidelines for providing a housing allowance are as follows:

- a. Housing for clergy and pastors: Negotiations to establish a housing allowance in a local church will include the clergy/pastor, the S/PPR, a representative from the finance committee, and the chair of the Board of Trustees. The district superintendent shall be informed and regularly consulted before and as negotiations progress. The purpose of these negotiations is to develop a clear understanding by all parties as to mutually acceptable arrangements. Final arrangements must have approval of the district superintendent and of the church/charge conference.
 - b. Housing for district superintendents: It is normally expected that the district superintendents will live in district parsonages. Where exceptions to this expectation are necessary, negotiations to establish the need, proposed location of housing, and amounts of a housing allowance for a Cabinet appointment will include the bishop, the district superintendent, and a single representative each for the District Committee on the Superintendency, the District Board of Church Location and Building, the Conference Council on Finance and Administration, and the Trustees of the annual conference. Final arrangements must be mutually agreed upon by these parties. Where relocation of a district parsonage is being considered, the same process will be followed.
 - c. Housing for conference staff: Negotiations to establish a housing allowance for a conference staff appointment will include the staff person, the director of finance and administration, and the director of connectional ministries. The bishop shall serve if the arrangements concern the director of finance and administration or the director of connectional ministries. Final arrangements must be mutually agreed to by these parties.
 - d. Housing for new-church-start pastors: Negotiations to establish a housing allowance for a new-church-start pastor will include the new-church-start pastor, the director of congregational development, and the district superintendent. Final arrangements must be mutually agreed to by these parties.
- 2) A written record of the housing agreements (signed by the specified parties mentioned above) shall be maintained in the files of the district superintendent, the pastor, and the charge conference, and also by the bishop's office and conference trustees where applicable. The written agreement will stipulate clearly:
- a. the amount to be allowed every month;
 - b. a written statement, signed by the pastor, agreeing that the arrangement for a housing allowance in lieu of a parsonage shall not hinder his/her participation in the itinerancy for future appointments.
- 3) It is recommended that a housing allowance be based on the rental value of the current parsonage or, if the church/charge does not own a parsonage, on the rental value of a three to four bedroom home in the parish setting that substantially meets conference parsonage standards and IRS regulations. In addition to the housing allowance, an agreed upon allowance or the actual cost for utilities should be paid. The down payment and closing costs on a house and all other costs of purchase and maintenance are the responsibility of the pastor and shall not be loaned or given to the pastor by the local church or by the congregation's members.
- 4) No assets from the sale of a church-owned parsonage shall be used for current operating expenses of the charge (*BOD* ¶ 2543). The Board of Trustees of the local church shall assure that, from the proceeds of a church-owned parsonage being sold, at least 20% of the cost of a home in the area that meets Minnesota Annual Conference parsonage standards, plus an amount to cover closing costs shall be held in escrow. It is recommended that the principal account on the escrow be adjusted annually to provide equity with inflation and the real estate market. Interest received from an escrow account may be used toward the provision of a housing allowance. Any such sale of a church-owned parsonage must include consent of the pastor, district superintendent, district Board of Church Location and Building, and the charge conference, according to the process outlined in the current Discipline.

If the parsonage is not sold, but held for rental purposes, rental income should normally be applied toward a housing allowance for the pastor or for current expenses. Said rental parsonage shall be maintained at the conference and local community rental housing code standards and inspected annually by the local Board of Trustees, in readiness for possible future use as the parsonage. Assets from the sale of a new-church-start parsonage, prior to the constituting church conference, will conform to agreements made at the time of the original purchase of the parsonage.

- 5) Once initiated, a housing allowance is expected to continue for the duration of a pastoral appointment. The allowance shall be subject to annual approval of the charge conference. The charge conference shall not have the authority to reduce the housing allowance without negotiation and consent of the pastor, the S/PPR, and the district superintendent.
- 6) The local church/charge shall allow the pastor who receives a housing allowance to live where he/she chooses in the community served. If the pastor needs or chooses to live outside the communities served, this must be agreed upon with the committee on pastor-parish relations and the district superintendent.
- 7) The housing allowance may be used for purchase, rent, or lease as desired by the pastor.
- 8) The incoming pastor shall have no obligation to purchase the home of his/her predecessor.
- 9) If a church needs to purchase a parsonage for an incoming pastor, or if a parsonage is not ready for the new clergy-family residents, appropriate housing accommodation shall be provided for the clergy until the parsonage is ready and any extra moving costs shall be the responsibility of the local church. If a pastor requests a housing allowance, after living in the parsonage, the costs of moving to another home using a housing allowance is the pastor's. If a church requests the move to a housing allowance, the move costs are borne by the church.
- 10) If a pastor refuses to live in a local church-provided parsonage that meets annual conference parsonage standards, then the local church is not required to provide a housing allowance.
- 11) Clergy couple housing compensation: Each person of a clergy couple is entitled to housing.
- 12) When a clergy couple serves two or more separate congregations and there are two or more parsonages and they only need one to live in, conversations with the District Superintendent, the S/PPR(s), and the clergy couple will determine housing arrangements and which parsonage will be used. The church(es) owning the parsonage(s) that is/are not used will not be required to provide a housing allowance. The churches involved in this arrangement are responsible to negotiate reasonable sharing of expenses of housing such as utilities and home maintenance expenses for the clergy couple's residence in the other church's parsonage.
- 13) Recognizing that *BOD* ¶ 331.10b does not list housing as part of the compensation package of a deacon, it is strongly recommended that the S/PPR and the District Superintendent consider costs relating to housing for deacons, whose primary appointment is the local church, appointed to local churches as the compensation package is developed and set.
- 14) Parsonage
The S/PPR in cooperation with the trustees shall provide and properly maintain an adequate and comfortable residence for the pastor (and family). This committee shall use these minimum standards as the standards for parsonages in the Minnesota Conference. The District Board of Church Location and Building is required to approve plans for all major changes in the housing situation. Each committee, at the convenience of the parsonage family, should inspect its parsonage, using the annual parsonage evaluation form as a guide. If anything fails to meet minimum standards, necessary steps should be taken to accomplish the work required. With the concurrence of the parsonage family and with the advice of appropriate district board, when necessary, the committee shall establish a mutually agreeable order of priority and schedule for the completion of the work. Each committee should study the present parsonage with the thought of providing a comfortable and adequate home as well as a sound investment. If the parsonage is not structurally sound, or if too much expense is required to bring it up to minimum standards, steps should be taken to provide another home as the parsonage. All hazards to personal safety shall be immediately corrected. The annual parsonage evaluation shall be included in the annual charge conference reports and a copy provided for the district superintendent's file.

Reference: *BOD* ¶ 2544.3.b.1a, b, c, 2, 4.d.1, 2, 3 as follows:

3. b) After approving a purchase proposal, the charge conference shall be deemed to have authorized and directed the board of trustees to proceed with the purchase. In the case of the purchase of a parsonage, the board of trustees shall either:
 - (1) purchase a parsonage that has on the ground-floor level.
 - (a) one room that can be used as a bedroom by a person with a disability;
 - (b) one fully accessible bathroom; and
 - (c) fully accessible laundry facilities; or
 - (2) purchase a parsonage without the accessible features for persons with disabilities specified above and remodel it within one year's time, so that it does have those features.

15) Parsonage Minimum Requirements

- a. A safe and dependable hot and cold water system throughout the house including water softening equipment where needed. All of the plumbing shall meet state and local codes.
- b. A central automatic heating system. The heating system shall have sufficient capacity to bring the entire habitable part of the house to a comfortable temperature and meet state and local codes.
- c. The house shall be fully insulated, with storm and screen doors and storm and screened windows as required. (It is recommended insulation be brought to local codes.)
- d. All movable windows shall be in operating condition.
- e. The grounds around the house shall be well drained. In the event that there is flooding in the basement, a sump pump shall be provided.
- f. There shall be provision for adequate television reception (cable or antenna)
- g. The laundry: automatic heavy-duty, large capacity washer with direct plumbing to the washer, large capacity dryer with either a 220 volt outlet or a gas connection for dryer, a 4-inch vent for the dryer, a deep sink or stationary tub with dedicated hot and cold faucets, and indoor drying space. Decision makers are encouraged to consider energy efficient appliances.
- h. All electrical power outlets and wiring shall conform to state and local codes. (Check with your local building inspector to make sure things conform.)
- i. There shall be adequate shelter (in good condition and conveniently located) for the appointed pastor's car.
- j. All parsonage grounds shall be safe for children.
- k. Appropriate floor coverings and window treatments shall be provided in living and dining room.
- l. The kitchen shall be furnished with good tile, linoleum, or carpet on the floor; and equipped with a good range and oven, sink, adequate refrigerator-freezer, adequate storage cabinets and lighting.
- m. Adequate closet and storage space shall be provided throughout the house.
- n. Each parsonage shall have at least a kitchen, living room, dining area, three bedrooms, bath and a half, and an area for utilities.
- o. The church office, when located in the parsonage, shall be furnished with bookshelves, desk, chair, locking file cabinets, safe or fireproof file for membership records and other permanent records, private telephone line, a computer with software for word processing and office applications and internet service, and sufficient lighting.
- p. The parsonage shall be of sound construction with attention and repair being given to cracked walls and sagging floors.
- q. These same standards shall apply in cases of multiple parsonages, even when rented by the congregation. If an apartment is to be used as a parsonage, it must have the approval of the District Board of Church Location and Building and the District Superintendent.
- r. Church owned parsonages, residences, shall have an adequate number of smoke/fire detectors, CO detectors, and other appropriate detectors for the area in which the home is located.
- s. Church owned parsonages shall be tested for radon. Testing shall be done in accordance with the current protocols for radon measurement in homes adopted by the American Association of Radon Scientists and Technicians. If the testing shows that radon is found to be at an unacceptable level, the congregation must take steps to bring the levels into the acceptable range. Because radon levels can and do change, it is recommended that this testing be redone every three years.
- t. When bedrooms are in the basement, there shall be alternate access, or exit door, other than the stairs to the main level. Split-levels with bedrooms on lower level shall have an alternate exit door, or exit windows, to meet standards of the Minnesota Uniform Building Code. (Check with your local building inspector to make sure things conform.)
- u. Recommendations: for the care of the parsonage grounds: power lawn mower, ladder, hose, seed, fertilizer; Automatic dishwasher; Eating space should be provided in the kitchen; Consideration should be given to a family-recreation room, and/or additional sleeping area for guests.
- v. Small dry powder ABC fire extinguishers shall be furnished in the kitchen and near the heating plant.

- w. Consider improving accessibility for handicapped persons.
- x. An amount equal to at least 2-1/2 percent of the replacement value of the parsonage shall be annually budgeted for maintenance of the parsonage or placed in a sinking fund to be used for future parsonage maintenance.

16) Utilities and Standards

- a. In addition to the base cash compensation, every charge shall pay actual utilities for church-owned parsonages. Utilities include: heat, electricity, water, water softener (including salt) where needed, sewage, garbage disposal, basic cable costs, basic telephone costs for the parsonage and the church, and long distance calls applicable to the charge.
- b. The Parsonage Maintenance/Improvement Fund (See 1987 *Journal*, p. 167): Each charge shall set up an annual parsonage maintenance/improvement fund in a separate checking account from the congregation's general fund account (suggested minimum to begin each year \$1000).
- c. Parsonage Standards: Parsonages as provided will meet all appropriate state and local building codes. It is expected that the parsonage will be appropriate for the community in which it is located. Any house proposed to be purchased or built as a parsonage shall have the approval of the District Board of Location and Building or, in matters dealing with the purchase or building of conference parsonages, the conference Trustees. (See the following references in *BOD* ¶ 2544.3b 1+2 and 2544.4d 1, 2 + 3).

17) Minimum Requirements for New Parsonages (Built or Purchased)

- a. Central heat, preferably zoned, with gas, oil or electrical fuel source.
- b. Central humidifier (unless closed heating system).
- c. Basements on lower levels shall be dry and usable.
- d. Two-car garage.
- e. Give attention to sound conditions from room to room by offsetting heating and electrical outlets and providing insulation for sound control.
- f. It is recommended that there shall be at least three bedrooms, living room, dining room, kitchen with eating area, two bathrooms, an area for utilities, and storage space.
- g. The living room area shall have at least 235 square feet.
- h. The dining area shall not be less than 120 square feet.
- i. A foyer shall be provided which shall be a separate central area, with a coat closet of not less than 5 linear feet.
- j. The floor plan should provide access from the kitchen area to the sleeping area without going through the living room.
- k. Overhangs shall be provided over entrances in newly built homes.
- l. The master bedroom should be at least 180 square feet. The other bedrooms should be no less than 120 square feet. These sizes are exclusive of closets, which should be at least 2 feet deep.
- m. Each full bath should be no less than 40 square feet.
- n. The kitchen, including eating area and adequate built-in cupboard space, should be at least 200 square feet and should be equipped with hood or exhaust fan.
- o. Each exception shall be allowed by a 3/4 vote of the District Board of Location and Building or a 3/4 vote of the Conference Board of Trustees in matters dealing with the purchase or building of conference parsonages.

18) Recommendations for New Parsonages (Built or Purchased)

- a. Wall to wall carpet, except kitchen and bath.
- b. Family room and/or study.
- c. Tool space and workbench.
- d. A bedroom and a half bath on ground level.
- e. Fireplace (see energy statement).
- f. A patio area (see energy statement).
- g. Air conditioning (see energy statement).
- h. Strongly urge consideration of needs of handicapped persons. (e.g. door widths, stairs) The building committee shall provide on the ground-floor level of a newly constructed parsonage: one room that can be used as a bedroom by a person with a disability; one fully accessible bathroom; and fully accessible laundry facilities.

19) Recommendations on Energy Conservation and Building Maintenance

With the growing awareness of the need for energy efficiency in our lifestyle as a key to energy conservation, the following recommendations are urged as factors to be considered in purchase, construction, or remodeling.

- a. New or replacement appliances should be energy efficient.
- b. Fireplaces, patio doors, air-conditioning installation or use be considered in light of energy consumption/loss/cost factors.
- c. In new construction or remodeling consider:
 1. 6" studs and insulation
 2. Insulating sheathing on exterior basement, or lower level, to have rigid insulation to meet energy code requirements. This is mandatory on newly built parsonages.
 3. Triple-glazed windows
 4. Insulated exterior doors
 5. Vestibules at all exterior entrances
- d. Maintenance is sometimes a problem on building exteriors. Consider installation of maintenance-free exterior siding, soffit, fascia (steel, aluminum, vinyl).

20) Parsonage Damages

- a. We remind all parties concerned that houses are built for occupation. Pastors and their families are just like any other families in that they wish to live comfortably in their home. No local church should expect that the parsonage will be treated any differently than any other home. A home is to be lived in, to be used, to be enjoyed as a place of residence, and is to experience normal wear and tear.
- b. We remind all persons involved that the parsonage is not only the property of the local church, but that it is also the private home for a family while they are the occupants. This means that the pastor and their family members are to view the parsonage as personal property, respecting the need for continued maintenance, and that they assume responsibility for damages which are beyond normal wear and tear.
- c. The following facts need to be reported to local churches and pastors:
 - 1) *BOD* ¶ 2533.4 says: "The chairperson of the board of trustees or the chairperson of the parsonage committee, if one exists, the chairperson of the committee on pastor-parish relations, and the pastor shall make an annual review of the church-owned parsonage to ensure proper maintenance."
 - 2) Our Parsonage Standards Policy (Procedures/Policy Manual 402.c.14 states: "Each [Pastor-Parish Relations] Committee, at the convenience of the parsonage family, should inspect its parsonage, using the annual parsonage evaluation form as a guide. If anything fails to meet minimum standards, necessary steps should be taken to accomplish the work required."
 - 3) Our interpretation of these two statements is that this should be an on-site inspection, with no part of the parsonage as off-limits, except for the personal property of the pastor and family.
- d. We believe that Christian people can responsibly come to an acceptable agreement that will satisfy all parties involved.
- e. An on-site inspection of the parsonage shall be made one month before the pastor is to move to a new appointment, involving the chairperson of the Pastor-Parish Relations Committee, the chairperson of the board of trustees, and the pastor. If extraordinary damage is evident, the pastor shall meet with the chairperson of the Pastor-Parish Relations Committee and the trustees to assess the amount of damage and to establish responsibility for financing the needed repairs. The district superintendent is to be notified of such a meeting, previous to the meeting, by the chairperson of the Pastor-Parish Relations Committee. If the issue is not resolved, the Pastor-Parish Relations Committee chairperson shall again contact the district superintendent asking for intervention.
- f. If the district superintendent is asked to intervene, s/he shall ask the District Board of Church Location and Building to meet with the responsible parties to resolve the issue. If the pastor is judged to be responsible for the damages by the District Board of Church Location and Building, but still refuses to accept responsibility, the local church shall withhold from the last month's salary, or a part thereof, for payment of damages.

d. Reimbursable Accounts

- 1) Continuing Education
 - a. In addition to the base cash compensation, the charge shall budget an allowance for continuing formation and spiritual growth. The conference minimum is \$800 per year. It is recommended that the amount be equal to 2.5% of the Conference Average Compensation, which for 2016 is \$62,752 or \$1,568.80. (See 1988 *Journal*, "Program of Continuing Education" under III.B.5, page 234). This amount is to be expended only on a vouchered basis as a reimbursement.
 - b. In addition to vacation time, the charge shall provide a period of time for continuing formation and spiritual growth. The conference minimum shall be one week per year. It is recommended that in addition, a one-month period be provided within each quadrennium. (See *BOD* ¶ 351.2.)
- 2) Mileage: The pastor shall be reimbursed for vouchered actual mileage driven in parish work at least equal to the Internal Revenue Service approved rate. Fifty cents is the reimbursement rate for a wheelchair accessible van when necessary.
- 3) Professional Expenses:
 - a. Each charge shall establish and budget for an accountable reimbursement plan for pastor's business-related expenses, which meets Internal Revenue Service requirements for such a plan. The conference minimum is \$500.
 - b. It is vital that the S/PPR and pastor(s) agree beforehand on the expenses to be reimbursed and then estimate the amount necessary to pay these expenses. At a minimum, the amount should include money to attend annual conference, pay dues to the local Ministerial Association and other civic organizations where the pastor represents the religious community--Rotary, Lions, Kiwanis--as well as sufficient funds to cover participation in retreats, camps, confirmation trips, and other church events where the pastor is expected to attend and/or provide leadership.
 - c. In addition, money may be allocated toward entertainment expenses (pizza for the youth group) or cleaning of robes and vestments, cards and gifts given to parishioners at weddings, confirmations, books and periodicals purchased for the practice of ministry (though, up to 1/4 of a pastor's continuing education allowance may be used for books and periodicals).

It is important to agree ahead of time on what expenses are to be covered and how to handle reimbursement if agreed upon expenses are greater than expected. Doing this will avoid disagreements over reimbursement. Remember, it is vital that the pastor submit a voucher stating the date, cost, and business purpose of the expense before receiving payment. Simply giving 1/12 of the budgeted amount for reimbursement voids the tax advantage. (Doing so makes the reimbursement fully taxable income.)

This is also true of mileage reimbursement and continuing education. They also must be vouchered each month and the pastor paid only for business miles driven or continuing education events attended since the last reimbursement. If mileage, business expenses, or continuing education expenses do not reach the budgeted amount, they may not be distributed as a bonus to the pastor. This action also makes the entire reimbursement for the year taxable.

One other caution--pastors may not reduce their salary for the purposes of creating a larger business expense reimbursement account. This is confusing because pastors may sign voluntary salary reduction agreements for housing appurtenances, tax deferred retirement annuities and cafeteria plans to pay for medical expenses and childcare.

A pastor may negotiate a smaller raise and a larger reimbursement plan so long as the salary still meets the conference minimum salary specifications. Churches receiving minimum salary support are expected to provide a \$500 Accountable Reimbursement Plan.

e. Benefits

- 1) Health Insurance: In addition to the base cash compensation, the charge shall pay that portion of the conference health insurance program for pastors and their families as adopted by the annual conference.
- 2) Adoptive Aid: The Conference Board of Pension/Health Benefits will provide an adoptive aid payment of \$500.00 to active clergy, with coverage under our current medical plan, for the adoption of a child, other

than a blood relative or lawful/legal child of either spouse. Blood relatives are to be defined as nephews, nieces, grandchildren, cousins, or child of a previous marriage of either spouse. A request for payment must be made to the Conference Board of Pension/ Health Benefits within 12 months from the date of adoption. This payment is in lieu of a maternity benefit, which would have been provided under the medical plan. The Board of Ordained Ministry and the Cabinet should be reminded annually that this benefit is available to clergy. The Conference Board of Pensions will be responsible for this communication.

- 3) Maternity/Paternity Leave: There shall be a Maternity/Paternity Leave Program in the Minnesota Annual Conference:
 - a. In accordance with the Book of Discipline a pastor may take up to 13 weeks of maternity/paternity leave at birth or arrival of a child into the home for purposes of adoption. Compensation to the pastor, pension and medical coverage will be maintained by the church for no less than the first 8 weeks.
 - b. Pulpit supply will be arranged by the church prior to the leave and funds will be provided by the Conference Board of Pension and health Benefits when notified of the need for pulpit supply funding during such leave. Pulpit supply funds will be provided for no less than the first 8 weeks of leave, and for such additional period, up to 13 weeks as the church continues clergy salary.
- 4) Pension Benefits: In addition to the base cash compensation, the charge shall pay the pastor's monthly pension contribution for Clergy Retirement Security Program (CRSP) and Comprehensive Protection Plan (CPP). In addition to the base cash compensation, the charge shall send to the General Board of Pension and Health Benefits the amount by salary reduction agreement that is the personal contribution either on a before tax or after tax basis. The clergy person is responsible for submitting the appropriate documentation to the Benefits Officer or to the General Board of Pension and Health Benefits and to necessary congregational officers.
- 5) Sick Leave: The Minnesota Annual Conference expects that cooperative and constructive conversations will take place between the Staff/Pastor Parish Relations Committee and the pastor in consultation with the District Superintendent when there is negotiation of any issues. When illnesses or unanticipated special circumstances arise for a pastor or pastoral family, the goal is to meet the needs of both the pastor/pastoral family and the congregation. Circumstances of unexpected health concerns often are accompanied by emotion and challenge. Pastors and congregations are encouraged to make extra effort to embody the best of our Christian graces in caring for each other and finding a way through unanticipated situations.
- 6) Vacation: Congregations shall grant pastors an annual vacation of at least four weeks with pay including at least four Sundays, and upon completion of ten years of service in the conference, congregations shall grant pastors an annual vacation of at least five weeks with pay, including at least five Sundays. The pastor, in consultation with the Committee on Pastor-Parish Relations, shall provide for services in the church when the pastor is on vacation.
Eligible vacation days for one year shall be counted from July 1 to June 30, to correspond with the annual conference appointment process. Exceptions, as in cases of midyear or special appointments, should be negotiated through the district superintendent and the Committee on Pastor-Parish Relations. The pastor shall be given the privilege of dividing his or her vacation into two or more periods of time. These policies shall also apply to district superintendents and other personnel of the Conference. For pastors in their first appointment in the Minnesota Annual Conference, the following graduated schedule shall be considered a minimum and is to be worked out in consultation with the Committee on Pastor Parish Relations of the charge served:

First Year:	two weeks vacation
Second Year:	three weeks vacation.
Third Year:	four weeks vacation.

 Vacations should be scheduled with discretion in relationship to camp and/or conference responsibilities. Any pastor who moves may feel free to take his/her vacation during the first summer on the new charge.
- 7) District and conference Work: Each pastor is encouraged to devote time to work at conference and/or district camp experience or seminar each year. This time is not to be construed as vacation time.

f. Exceptions to the Ministerial Support and Service Policies

In the event that it should be necessary and advisable to make exceptions to the policies stated above and/or in the Operating Policies/ Procedures of the conference, the matter must be referred to the Equitable Compensation Action Team by the Cabinet.

03. Charge Business Expenses

a. Office Equipment and Supplies

In order that there may be an efficient use of a pastor's time, talents and education, each charge of the Minnesota conference:

- 1) Shall provide for its pastor and associate pastor(s) a study, preferably in the church building, which shall be equipped with a desk and chairs, adequate locking filing space, sufficient book shelves, proper lighting, a typewriter, a private telephone line, and a computer with software for word processing and office applications and with internet service.
- 2) Shall provide safe or fireproof file for membership records and other permanent records. It is recommended that membership records also be saved electronically.
- 3) Shall provide modern office machines necessary for the efficient conduct of the charge's business, and shall pay office expense, such as postage, stationery, office supplies. The charge shall pay all of the repair and maintenance costs.
- 4) Is strongly urged to provide secretarial help for the parish, with office space separate from pastor's study.
- 5) Shall pay the basic telephone costs for the parsonage and the church, and the long distance calls applicable to the charge.

b. Pulpit Supply

A pastor shall pay for the pulpit supply when he or she is away from the charge on any Sunday, EXCEPT when it is for vacation, local church programming, service in conference or district programs, absence required or requested by the annual conference or general boards or agencies, approved sabbatical leaves and continuing education, and sickness or family emergencies.

04. Conference Procedures that Impact Local Church Ministry Support

a. Report Forms

The bishop and Cabinet shall produce and distribute to the churches such quarterly and/or annual report forms they deem necessary for the efficient and orderly conduct of all the charges of the annual conference.

b. Pastoral Service

Pastoral service on a field is a responsibility of the pastor in charge, and requests for such service from others than the pastor in charge breaks loyalties, hinders the work of the Kingdom, and embarrasses pastors. In order that this may be prevented the following shall be the policy of the Minnesota Annual Conference:

- 1) No pastor shall perform pastoral acts in any parish other than the one assigned, except by the invitation of the pastor in charge, or in cases of emergency with the subsequent notification of the district superintendent.
- 2) Lay persons shall refrain from requesting pastoral service from a former pastor, a pastor from another parish, or a retired pastor, thus embarrassing both the pastor in charge and the pastor asked for such a service.
- 3) We recommend that retired pastors shall refrain from making their homes within the charge that they had been serving immediately prior to retirement.

c. Clergy Day Apart

Each district, through the District Superintendent and/or the District Committee on Ordained Ministry, shall provide for a clergy day apart as fits that district's geography and mission. A day shall be set aside monthly so that all clergy may gather together in district (or sub-district) groups for the purpose of worship/spiritual growth and activities that enhance the congregation of the clergy. The recommended date is the first Thursday of each month. Due to the fact that the dates may vary among districts, especially for districts that have scheduled sub-district days, those scheduling conference meetings at which a clergy person is required to be in attendance will

be aware of the days set apart and will attempt to schedule meetings that do not conflict with the day that is set aside for Clergy Day Apart. All clergy are to be diligent in providing in his/her own schedule for setting aside of this time for worship/spiritual growth within the congregation of the clergy as these occasions are planned by the District Superintendent and the District Committee on Ordained Ministry. District superintendents and individual clergy will inform each local congregation/ministry of this action and ask for their cooperation toward harmonizing local calendars (staff meetings, Bible studies and other local activities) so that clergy may attend these clergy gatherings as a priority spiritual need.

d. Termination of Pastorate

The Bishop and Cabinet shall annually determine the termination date for the salary and pastoral service of pastors moving to a new charge.

e. Support Figures printed in Journal

The complete financial support figures shall be listed for each pastor in the official *Journal* annually.

f. Parsonage Penalty Adjustment

This adjustment is designed to offset the pension penalty of pastors who reside in parsonages. This amount will vary from year to year. It is based on 3% of the difference between the average housing allowance and the average parsonage value. For the base on which the pension amount is figured housing is added to the base compensation figure. In the case of a parsonage it is 25% of the cash salary. In the case of a housing allowance it is the actual dollars of the housing allowance. This parsonage penalty adjustment is potentially taxable income to the pastor. In order to have the result be more equity in pension contribution, it is strongly recommended that this amount of money be invested by the pastor in the UMPIP (United Methodist Personal Investment Plan). In retirement the entire amount of pension received from the General Board to the extent it is used to provide housing is non-taxable income.

500. ITEMS APPLICABLE TO PASTORS IN THE RETIRED RELATIONSHIP

01. Retired Clergy Housing Allowance Resolution

WHEREAS, the religious denomination known as The United Methodist Church (the "Church"), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church ("Clergypersons"); and

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation; and

WHEREAS, pensions or other amounts paid to active, retired, terminated, and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired, terminated, and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a housing/rental allowance for Clergypersons who are or were members of this conference and are eligible to receive such deferred compensation;

NOW THEREFORE BE IT RESOLVED: That an amount equal to 100% of the pension, severance, or disability payments received from plans authorized under *The Book of Discipline of The United Methodist Church (BOD)*, which includes all such payment from the General Board of Pension and Health Benefits (GBOPHB), during the year of 2015 and 2016 by each active, retired, terminated, or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and that the pension, severance, or disability payments to which this rental/housing allowance applies will be any pension, severance, or disability payments from plans, annuities, or funds authorized under the *BOD*, including such payments from the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the *BOD*, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, terminated, or a disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the

Church, former denomination that is now a part of the Church, or any other employer that employed the Clergy person to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such active, retired, terminated, or disabled Clergy person's pension, severance, or disability as part of his or her gross compensation.

Note: The rental/housing allowance that may be excluded from a Clergy person's gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations thereunder to the least of: (1) the amount of the rental/housing allowance designated by the Clergy person's employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergy person to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

600. AMENDMENTS

01. Amendments to Sections 100 and 200

Become effective upon a two-thirds vote of those present and voting at the annual conference session.

02. Amendments to Sections 300, 400 and 500

Become effective upon a majority vote of those present and voting at the annual conference session.