

CANONS OF THE DIOCESE OF OREGON

CANON 5: DIOCESAN FINANCE

CANON 5.1
OF THE DIOCESAN BUDGET

Sec. 1. The Diocesan Council shall submit to each annual Convention a budget covering all the work committed to it and the expenses of the Diocese for the ensuing year. This budget shall have been prepared and shall be published to the Church in this Diocese at least 45 days prior to the Convention to which it is to be submitted, by mailing to each Parish and Mission sufficient copies so that Clergy, Lay Delegates to Diocesan Convention, and Convocation Delegates may each have a copy.

Sec. 2. All budget proposals shall be submitted, in writing, to the Diocesan Council by the person or persons initiating such proposals at least 90 days prior to the annual Convention.

CANON 5.2
OF THE DIOCESAN PROGRAM FUND

Sec. 1. There shall be a Diocesan Program Fund which shall be used for the payment of the expenses of Convention, the charges of the General Convention, the Bishop's salary, all administrative costs of the Diocese of Oregon, the Assessment levied by the Executive Council, for all Diocesan Missionary projects, and for all charges incurred by the Diocese of Oregon.

Sec. 2. The Diocesan Program Fund shall be derived from all interest received from the Episcopal Endowment Fund and other investments, from grants, contributions, and gifts, and from the Diocesan Program Assessments.

Sec. 3. On Calculation of Diocesan Program Assessments.

(a) Each Parish and Mission of the Diocese shall pay a Diocesan Program Assessment ("DPA"). The DPA for each Parish or Mission shall be either (i) the amount computed according to subsection (b) below or (ii) the amount computed according to a Covenant of Mutual Ministry between that Parish or Mission and the Diocese entered into in accordance with subsection (c) below. In either case the DPA shall be calculated annually for the next succeeding calendar year, and paid monthly.

(b) The amount of DPA owed for any year shall be equal to the Applicable Rate times Assessable Income. The Applicable Rate shall equal 10 percent of the Base Amount plus 18 percent of Assessable Income in excess of the Base Amount. The Base Amount for any year shall equal \$30,000 plus a cost of living adjustment for changes after 2009. The cost of living adjustment shall be calculated by the same method as used in calculating cost of living adjustments to Diocesan Stipend, Housing and Utilities. Assessable Income equals the average of the following for the latest two years as reported by the congregation on the Parochial Report: Normal Operating Income (line A of the Parochial Report) less "Outreach from Operating Budget" (line 13 of the Parochial Report). Normal Operating Income and "Outreach from Operating Budget" are defined in the same manner as these terms are defined from time to time in the Instructions for the Episcopal Church Parochial Report as set forth in the Manual of Business Methods in Church Affairs ("The Manual") as published by ECUSA, or any successor publication.

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(c) Diocesan Council has authority, with the approval of the Bishop or other Ecclesiastical Authority, to enter into a Covenant of Mutual Ministry with a Parish or Mission in order to advance strategic goals and priorities of the Diocese. Such a Covenant of Mutual Ministry shall be for a term of no more than five (5) years, and shall supersede the rule of Section 3(b) during its term. Such Covenants of Mutual Ministry shall be public records. Diocesan Council shall, in cooperation with the Bishop, create and publish guidelines and procedures for entering into such a Covenant of Mutual Ministry.

Sec. 4. On Delinquency in Diocesan Program Assessment.

(a) Diocesan Council has authority to enter into payment agreements under which a Parish or Mission in arrears on its DPA is provided time to come into compliance. Such a payment agreement may include a provision for cancellation or reduction of prior DPA. Compliance with such a payment agreement will be considered compliance with Section 3 of this Canon.

(b) A Parish or Mission that is not in compliance with Section 3 of this Canon for more than six consecutive months will be assessed costs for services provided by the Diocese, including but not limited to fees for insurance management and payroll services, travel expenses for Bishop visitations, and costs of Convention and Clergy Conferences that are supported by the DPA. Failure, for two consecutive years, to either come into compliance with Section 3 of this Canon or to pay such assessed costs, shall constitute evidence that the Parish or Mission is essentially defunct within Article 15 of the Constitution.

Sec. 5. If the total Diocesan Program Assessment collected pursuant to this Canon, together with all other income available to the Diocese, provides an amount less than the total sum needed to meet the budget approved by the Convention, the Diocesan Council shall modify the budget as necessary to bring about a balance between income and expenditures. If the total Diocesan Program Assessment collected pursuant to this Canon, exceeds the amount necessary to meet the budget adopted by Convention, Diocesan Council shall determine how the surplus is used.

Sec. 6. Any motion or resolution from the floor of Convention which would increase any item in the budget submitted by the Diocesan Council, or which would add to the budget any item requiring funding, must include in the resolution or motion an estimate of cost and a means of funding the increase or addition. Any such motion or resolution shall require a three-fourths vote of the members present. Any motion or resolution from the floor of Convention which proposes funding a new item or an increase in an existing item by reducing another item in the budget shall likewise require a three-fourths vote of the members present.

Sec. 7. Diocesan Council, working in collaboration with the Treasurer and Finance Officer of the Diocese, shall establish by regulation forms and procedures for reporting, calculation and payment of DPA.

The Amendment proposed to Canon 5.2 shall be effective for the fiscal year beginning January 1, 2011.