



THE EPISCOPAL DIOCESE OF NEW YORK

The Adjustment Board

Policy and Guidelines

The Adjustment Board's mission is to support an important purpose of the Diocese – to help parishes to grow in the strength of their ministries of worship, nurture and mission.

As members of an Episcopal Diocese, we are a church catholic, bound together, not only by law and canon but by mutual agreement, in the body of Christ. The work of the Church and clergy orders stems from the Bishop. Although the work is done mainly through the congregations, it is through the Bishop and the Diocese that we maintain our universality and union. Parishes are not, nor can they be, congregational entities. Not to pay a diocesan assessment clashes with this catholicity that binds us together. If we wish to eliminate diocesan missionary programs, if we wish to eliminate our apportioned share for the national church or any of the other things we do as a Diocese, we need to do that in Convention. We are tied to each other in Christ and bound to work together toward our mutual goals. These goals are represented in the Diocesan Budget we adopt each year. A parish's assessment represents its participation in those goals' being achieved. The assessment is a basic parish operating expense as well as the way we engage in mission together. That is why every parish needs to pay the full assessment currently in quarterly installments or, if it believes it cannot do so, needs to be fully engaged in working with the Adjustment Board and the Diocese as described in these guidelines.

What Canon 18 of the Diocese Says About the Adjustment Board

“2. Adjustment and Appeal Procedure: Any congregation may appeal to the Adjustment Board for a reduction in its apportioned share in accordance with the guidelines established by the Adjustment Board and approved by the Trustees.

“The Adjustment Board, which shall be a committee of the Trustees consisting of not fewer than seven members appointed by the Bishop, shall conduct all adjustment hearings and may affirm or reduce the apportioned share payable by any congregation requesting a hearing. The Adjustment Board shall inform each congregation requesting a hearing of its decision within a reasonable time after such hearing.

“Any congregation may appeal the decision of the Adjustment Board to the Trustees, which may affirm or modify any decision of the Adjustment Board. Appeals to the Trustees must be made within 30 days after receipt by such congregation of the decision of the Adjustment Board.”

A parish’s “apportioned share” is often referred to as its “assessment.” A parish that is a member of the Congregational Support Plan pays a “contribution” on a different basis, works with the Congregational Support Plan Committee and staff, does not pay an assessment and cannot appeal to the Adjustment Board.

The Adjustment Board and the Staff

The Bishop has appointed the Adjustment Board. At least two of its members, including a Chair, are Trustees of the Diocese. The Adjustment Board meets regularly throughout the year.

The CFO and the Controller serve as the staff liaison to the Adjustment Board.

Calculating Assessments

For each parish not in the Congregational Support Plan, the Controller calculates its assessment toward the end of a year, based on the parish’s Normal Operating Income for the two preceding years. For example, a parish’s assessment for 2010 is calculated toward the end of 2009 based on the parish’s Normal Operating Income for 2007 and 2008.

Under Canon 18, the assessment is based on actual Normal Operating Income, calculated in the same manner as that term is 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 of The Episcopal Church
<<http://www.diocesenya.org/pages/351-parochial-reports>>.

To assure fairness for all parishes in the Diocese, the staff will continue to review parochial reports for consistency and appropriateness of the reporting of Normal Operating Income. Where there are questions about a parish’s reported NOI (for example, where reported NOI is materially less than Normal Operating Expenses), the staff will seek clarification from the parish. The Controller will calculate the assessment

based on his or her determination of NOI, and any dispute will be reviewed immediately by the Adjustment Board.

What is a “Parish Not In Default In Assessments”

Assessments are due in four quarterly installments, on the fifth day of January, April, July and October. The Trustees of the Diocese have determined that to be a “Parish Not In Default In Assessments” a parish not in the Congregational Support Plan must either:

- (1) Be current in the payment of its assessments through all but the most recently due installment (e.g., after October 5, the parish has paid all assessments due through July 5), or
- (2) Have a completed application pending with the Adjustment Board, be making payments on account of assessments in a minimum amount specified by the Adjustment Board for parishes that have applications pending, and be actively participating in the Adjustment Board process by meeting with its members and representatives of the Diocese as requested by the Adjustment Board, or
- (3) If the Adjustment Board has made its decision and the parish has chosen to appeal the decision, have a completed appeal pending with the Trustees, or
- (4) If the Adjustment Board has made its decision on the application that, after any appeal to the Trustees, is final and no longer subject to appeal, be current in its payment of its assessments as they may have been adjusted through all but the most recently due quarterly installment, and be in compliance with any conditions imposed by the Adjustment Board or the Trustees in approving any adjustment, which conditions may include participation in programs organized by the Diocese to help a parish.

This definition is tied to being current in assessments (as they may be adjusted) *through all but the most recently due quarterly installment*.

This definition is different from the criterion for denial of lay delegates’ votes at the Diocesan Convention—failure to pay the full assessment for one or more *prior* years. Under Canon 18, unless waived by vote of Convention, the lay delegates from a parish that has not paid its full assessment for one budget year can be seated at the next year’s Convention but cannot vote, and the lay delegates from a parish that has not paid its assessment for any two budget years cannot be seated (and therefore cannot vote) at the next year’s Convention.

First Steps for the Adjustment Board

When parish leadership believes it cannot pay the full assessment, it should get in touch with the staff to discuss the situation. Their contact information appears below.

At least quarterly, the Controller prepares a report for the Adjustment Board and the Trustees listing every parish in the Diocese that is subject to assessment. (Congregational Support Plan parishes pay “contributions”, which are handled separately.) The report shows for each parish whether it is “Not In Default In Assessments,” and, if it is In Default In Assessments, the status of its work with the Adjustment Board.

The Adjustment Board reviews these reports at least quarterly. Prior to each quarterly review by the Board, the staff communicates with any parish that is more than 90 days late in payments. After review with staff of a quarterly report, the Board may ask to meet with the leadership of any parish that is more than 90 days late in payment.

Eligibility for Diocesan Funding

The Adjustment Board advises the Bishop of the parishes that are In Default In Assessments. The Bishop may then direct that such a parish is ineligible to receive any payments from Diocesan programs or funds, including:

- Property Support Grants or Loans
- Funds for churches in designated areas

Applying for an Adjustment

A parish that wishes an adjustment in the amount of its assessment or in the schedule for payment must fill out an application, together with the supporting information, using the attached form.

The Adjustment Board will review all completed applications and discuss them with staff, and hear from staff about their conversations with parish leadership. In some cases the Adjustment Board will make a tentative decision and ask staff to discuss a potential adjustment with parish leadership. The parish can then either accept the potential adjustment or ask that a hearing be scheduled. The Adjustment Board will attempt to hold the hearing as soon as possible, generally at its next meeting. In other cases, the Adjustment Board will not ask the staff to discuss a potential adjustment but will ask the staff to schedule the hearing as soon as possible.

During discussions with staff, and during hearings with the Board, a parish may be asked to work with diocesan entities or staff toward the goal of strengthening the

parish. An adjustment may be made conditional on the parish's continuing to work with these diocesan entities and staff.

How the Adjustment Board Reaches a Decision

The Adjustment Board will make a decision that it believes to be fair in light of the circumstances.

The Diocese offers a broad range of assistance to parishes facing issues of many kinds, and in many cases a parish coming to the Adjustment Board may also turn to these resources for assistance. Three Canons for Congregational Development have helped many parishes. The Property Support Director has helped many parishes with issues surrounding their buildings. The Stewardship Officer has helped many parishes plan their stewardship programs. In addition, the financial office can help in many ways. The Adjustment Board encourages parishes to use the diocesan resources that they would find helpful.

Each appeal to the Adjustment Board is judged on its own merits. The Adjustment Board considers the parish's current circumstances and changes in its circumstances, and changes in its income, its expenses, its property, and its endowment, if any. A specific item of expense might be deemed essential in one case and discretionary in another. Level of endowment, effectiveness of ministry, continuity of program, and relative needs within the parish community and the Diocese, and other adjustments the parish has made in its budget to save money in light of its financial situation, are among the many considerations the Adjustment Board must weigh. The existence of sound fiscal and fiduciary practices is also a concern. In addition to reviewing the parish audit and stewardship program, the Board must satisfy itself that, to the extent feasible, all necessary steps have been taken to prevent a recurrence of the situation or condition which has led the parish to come to the Board. The Board may condition an adjustment on the parish's continuing to work with diocesan entities and staff toward strengthening the parish and its mission. The Board will also refer to the Trustees or any other appropriate body, for review and assistance, those parishes where the Board feels further discussion would be helpful.

Potential Actions by the Board

The Board may act to reduce past, current and future assessments and may forgive past assessments, or may offer to permit a congregation to pay an arrearage over time while remaining up-to-date with current assessment payments.

Staff will immediately inform the parish of the Board's decision

Appeal to the Trustees

Within 30 days of receiving the Board's decision, a parish may appeal to the Trustees by giving written notice to the staff whose contact information appears below. The notice of appeal should set forth the parish's basis for the appeal.

The Trustees will review any appeal, including the material originally submitted by the parish, the decision by the Adjustment Board and material submitted by the parish with its appeal to the Trustees, and will reach a decision as promptly as possible. The Trustees' decision is final. Staff will immediately inform the parish of the Trustees' decision.

Working with the Parish

After acting on an appeal, the Board will work with a parish as the parish seeks to grow stronger in carrying out its mission, including the payment in full of its assessment.

Reporting to Convention and to the Diocese

At least four days prior to each Annual Convention, the Adjustment Board will post on the diocesan website a report showing, as of one week prior to Convention, for each parish subject to assessment

- Whether it has filed its parochial report for the prior year,
- Its assessment for the current budget year and the prior budget year, as originally assessed,
- Assessment payments made, and its payment status (whether In Default In Assessments or not),
- The fact of any application then pending before the Board or on appeal to the Trustees, and
- Any adjustments in amount or payment schedule made since the last such annual report

The report will include all parishes in the Diocese except those in the Congregational Support Plan, because CSP parishes do not pay assessments.

Prior to each Annual Convention the Adjustment Board will notify the Bishop of any parish that is In Default In Assessments. With the concurrence of the Bishop and Standing Committee, and the Trustees of the Diocese, the Chancellor will inform the Convention that the parish is In Default In Assessments. The Bishop may from time to

time ask the Co-Chairs of the Adjustment Board to report to Convention on the Adjustment Board's work.

How to Reach the Adjustment Board Staff

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Controller
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If you submit an application for adjustment, please be sure it is complete and in accordance with these guidelines.

Thank you.

October 8, 2009

The Adjustment Board

The Rev. Canon Susan C. Harriss, Co-Chair,
Christ's Church, Rye
The Rev. James Lee Burns,
Heavenly Rest, Manhattan
The Rev. Charles H. Howell,
Christ Church, New Brighton, Staten Island
The Rev Canon Andrew J.W. Mullins,
ex officio, Epiphany, Manhattan
The Rev. Eileen E. Weglarz,
St. Mark's, Mount Kisco

Wolcott B. Dunham, Jr., Co-Chair,
St. James', Manhattan
Donald L. Bookal,
St. Luke's, The Bronx
Gary A. Glynn,
St. Mary's, Tuxedo Park
Cate Long,
Messiah, Rhinebeck
The Hon. Colleen McMahon
Christ Church, Bronxville

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