

AMENDMENTS TO THE CANONS OF THE DIOCESE OF PENNSYLVANIA

Proposed By THE STANDING COMMITTEE

Preliminary Comments

For the past several months, the Chancellor, at the request of the Standing Committee in consultation with the Vice Chancellor, numerous diocesan leaders including Bishop Bartlett, has undertaken a comprehensive review of the Canons of the Diocese of Pennsylvania. As a result of that study, the Standing Committee is proposing the following changes to the Canons for consideration and enactment at the 225th Convention of the Diocese on November 8, 2008.

The purpose of the proposed canonical amendments are three-fold: (1) to attempt to eliminate ambiguities in the Canons; (2) to restore the historic polity within the diocese among the various bodies having responsibility and exercising authority; and (3) to address issues which have arisen since the Standing Committee was called upon to become the Ecclesiastical Authority following the Presentment and Inhibition of Bishop Bennisson.

During the tenure of Bishop Bennisson, we have seen the dissipation of the capital assets of the Diocese and a total breakdown of the traditional checks and balances which had previously insured the financial stability of its resources. The endowments of the Diocese were invaded, and uncontrolled spending became the order of the day, with no clear lines of authority, and no one to take responsibility for the financial mismanagement. Over the past two years, there have been substantial improvements in financial reporting, in large measure due to the efforts of the Treasurer, our interim CFO, and the Chair of the Finance and Property Committee. Transparency in financial transactions has become not only a goal but a reality. Nevertheless, the institutional and canonical structure needs to be addressed to insure that this Diocese will never again experience the financial crises that we now face.

In addition, when the role of Ecclesiastical Authority was thrust upon the Standing Committee last November, it became obvious that the Canons of this Diocese were inadequate to address some issues the Standing Committee was called upon to address, and the Canons of General Convention were of little help. Accordingly, there are some proposed changes to the Canons which clarify the role of the Standing Committee when it functions as Ecclesiastical Authority, a role it may play for the next two years, and other proposed changes which increase the role and responsibility of others during such period.

For the sake of clarity, proposed additions to the Canons appear in ***bold italics***, and any language that is to be deleted appears with ~~strike-outs~~.

CANON 1

Of the Admission of a Church or Congregation into Union with the Convention

No Proposed Modifications

CANON 2

Of Membership in the Convention

No Proposed Modifications

CANON 3

Of the Organization of the Convention and its Officers

No Proposed Modifications

CANON 4

Of Committees and Commissions

SEC 4.1

The Standing Committee

4.1.1 The Standing Committee of the Diocese shall consist of five clergy, canonically and actually resident in the Diocese, and five lay communicants, residents of the Diocese, chosen by ballot by the concurrent votes of the members of each Order.

4.1.2 At each Stated Convention there shall be elected one member of the clergy and one layperson to take the places of those whose terms shall then expire, to serve for five years. A member of this Committee shall not be eligible for reelection after serving two ***full*** terms until one Convention year shall have elapsed.

Explanation: *This amendment is simply for clarification. Members of the Standing Committee may serve only two consecutive **full** five-year terms, and the filling of a vacancy for a partial term does not prohibit election to two full terms thereafter.*

4.1.3 Vacancies in the Committee, whether due to deaths, removals from the Diocese, resignations, failure of the Convention to elect, or to any other cause, shall be filled by the concurrent vote of the remaining clerical and lay members, the member or members so elected to serve only until the next Stated Convention, when the Convention itself shall elect a person or persons to take

the place of the former member or members for the unexpired terms, if any.

4.1.4 The duties of the Standing Committee shall be such as have been or may be laid upon it by General Convention or by the Convention of this Diocese.

SEC 4.2 *The Committee on Canons*

4.2.1. At the close of each Stated Convention a Committee on Canons, consisting of 3 clergy and 3 lay members, shall be appointed by the Bishop to hold office until the close of the next Stated Convention, and vacancies in this committee shall be filled by the Ecclesiastical Authority. ***The Chancellor, or a Vice Chancellor designated by the Chancellor, shall serve as Chairperson of the Committee, ex officio.***

4.2.2 All proposals to alter or add to the Constitution or Canons shall be referred to this Committee ***for its recommendation to Convention***; provided, however, that any such proposal that shall be recommended by a Special Committee of the Convention shall be referred to the Committee on Canons only in order that the Committee may report specifically whether or not the proposed amendment does or does not conflict with any provision of the Constitution or Canons of the Diocese or of the General Convention.

4.2.3 It shall be the duty of the Committee on Canons to suggest to the Convention, from time to time, such changes in, or additions to, the Constitution, Canons, Rules of Order, or Standing Resolutions as may seem to the Committee to be wise.

Explanation: *The present Canon is ambiguous as to the number of members of the Committee on Canons or its role. The proposed amendments would establish a committee with equal numbers of lay and clergy members, with the Chancellor or a designated Vice Chancellor to serve as Chair ex officio.*

SEC 4.3 *The Committee on Incorporation*

At the close of each Stated Convention, a Committee on Incorporation, consisting of an equal number of clerical and lay members, shall be appointed by the Ecclesiastical Authority to remain in office until the close of the next Stated Convention, and vacancies in this Committee shall be filled by the same Authority.

SEC 4.4 *The Committee on Elections*

At the close of each Stated Convention the Bishop shall appoint a Committee on Elections, consisting of the Secretary of the Convention, who shall be the Chairperson, and two clergy and two lay members, to hold office until the next Stated Convention. They shall serve as judges of the

election, and any vacancies occurring shall be filled by the Bishop.

SEC 4.5

The Commission on Clergy Salaries and Pensions

4.5.1 There shall be a Commission of the Diocese to be known as “The Commission on Clergy Salaries and Pensions,” consisting of the Bishop, *ex officio*, who shall be the Chairperson, and twelve other members, six clergy and six lay, all of whom shall serve three-year terms staggered so that two lay members and two clergy are elected each year. One lay member and one clergy member shall be elected by the Convention and one lay member and one clergy member shall be elected by Diocesan Council. The Commission shall have power to fill vacancies among the members elected by Convention until the next Stated Convention, and the Diocesan Council may fill vacancies among the members elected by it. Any member shall be eligible for re-election, but except for having been chosen to fill a vacancy and to serve out the unexpired term of another, no person shall serve for more than two full terms consecutively.

4.5.2 The Commission shall administer the Clergy Financial Assistance Assessment, as provided in Canon 7.5. It shall also act as the Church Pension Fund Committee of the Diocese, as provided for in Canon 7.6. It shall make an annual report of its work to the Convention. In addition, it shall have the duty and authority to study, investigate and make recommendations to the Convention, Diocesan Council, or any parish concerning all matters relating to compensation for the clergy in the employ of the Diocese, its parishes or its missions. No such recommendation shall be made to the Convention unless the same shall have been submitted to the Diocesan Council for its information no later than the first day of the fourth month prior to the month in which such Convention shall occur; provided that Diocesan Council may waive the foregoing requirement.

4.5.3 The lay members of the Commission shall confer with the vestries and advisory committees of parishes and missions which are paying less than the minimum compensation, with the purpose of stimulating increased payments.

4.5.4 The Commission may also receive from the warden of a parish, aided parish, mission, or boards of directors of diocesan corporations, with the written consent of the clergy whose compensation is involved, appeals for permission in exceptional circumstances to pay its clergy less than the total minimum compensation established by Convention. The Commission may adopt such reasonable appeal procedures as it deems necessary and appropriate. If permission is granted, the provisions of Canon 7.5 with respect to minimum compensation of clergy shall not apply to such parish or unit of the Church for the duration of the period of time for which such permission was given. When such permission has been granted by the Commission, written notice of the reasons and terms of the permission shall be given to the Bishop for approval. The decision of the Commission when so endorsed by the Bishop, shall be binding upon the Diocesan Council, the Commission, and the unit of the Church which made the application.

SEC 4.6

The Diocesan Review Committee (Adopted November 3, 2001)

4.6.1 There shall be a Diocesan Review Committee to be chosen by ballot by the concurrent

votes of the members of ~~both Orders~~ **each Order** as hereinafter provided. The Diocesan Review Committee shall perform the functions and have the powers and responsibilities given to a Committee of that name by Title IV of the Canons of General Convention relating to the ecclesiastical disciplinary process.

<p>Explanation: <i>This amendment is grammatical and not substantive.</i></p>
--

4.6.2 The Diocesan Review Committee shall consist of three Priests or Deacons actually and canonically resident in the Diocese and two lay members of the Church actually resident in the Diocese. Each member shall serve for a term of three years, with the terms to be staggered so that at least one new member of the Committee shall be elected each year. In case of a vacancy, the Standing Committee shall appoint an individual of the same Order (lay or clergy) to serve until the next Diocesan Convention, at which time the Convention shall elect a person of the same order for the remainder of the term. No person may serve more than two full terms consecutively.

4.6.3 The Diocesan Review Committee shall elect a President from among its members to serve for a term of one year, with the right to succeed herself or himself.

4.6.4 No person shall at the same time serve as a member of the Diocesan Review Committee, the Ecclesiastical Trial Court or the Standing Committee.

SEC. 4.7 *The Committee on Finance and Property (Adopted/Amended November 2005)*

4.7.1 The Committee on Finance and Property shall be chosen by ballot by the concurrent votes of the members of ~~both orders~~ **each Order** as hereinafter provided.

4.7.2 The Committee on Finance and Property shall consist of six Priests or Deacons actually and canonically resident in the Diocese, and nine lay members of the Church actually resident in the Diocese. **Two clergy members and three lay members shall be elected each year.** Each member of the Committee shall serve for a term of three years, ~~with terms to be staggered so that at least four new members are elected to the Committee each year.~~ In the event of a vacancy, the Diocesan Council shall appoint a person of the same order (lay or clergy) to serve until the next Diocesan Convention, at which time the Convention shall elect a person of the same order to serve the remainder of the term. No person shall serve more than two full terms consecutively.

4.7.3 In addition to the members chosen in the manner specified above, the Standing Committee shall appoint one of its members to the Committee on Finance and Property. The Standing Committee member so appointed shall have a voice in matters under discussion but may not vote on matters before the Committee. ***The Chancellor may attend Committee meetings and participate in its discussions, without vote.***

Explanation: *The proposed changes in Sections 4.7.1 and 4.7.2 are grammatical and not substantive. The proposed addition to Section 4.7.3 is to acknowledge the role of the Chancellor as advisor not only to the Bishop and Standing Committee but to other diocesan bodies.*

4.7.4 The Committee shall elect a Chairperson from among its members. The Chairperson shall be a voting member of the Committee and not the Standing Committee appointee.

4.7.5 (**Formerly Section 6.3**) The Committee on Finance and Property shall perform the **following** functions and have the **following** powers and responsibilities:

4.7.5.1 Provide for the maintenance, repair, safety and other requirements of all diocesan properties; the due discharge of taxes and assessments thereon, and the payment of indebtedness on mortgages.

4.7.5.2 Provide a formula for proportionate minimum pledges from each parish and mission, making a regular allocation of their income to support the Convention and diocesan expense budget, including the missionary, educational, social service, financial, promotional, and other responsibilities of the Diocese.

4.7.5.3 Provide for the communication of the formula referred to in **the preceding** paragraph ~~Section 6.3.2 of the Canon,~~ the billing of any assessment and, subject to the directions of the Treasurer of the Diocese, receiving and accounting for all pledges and assessments, including those determined for the Support of the Episcopate by the Standing Committee, and for Clergy Financial Assistance by the Commission on Clergy Salaries and Pensions.

Explanation: *The proposed changes to Sections 4.7.5 and 4.7.5.3 are grammatical and not substantive. The Canon has been renumbered.*

4.7.5.4 Provide for the enforcement of Canon 16 (“Of the Mode of Securing an Accurate View of the State of the Church in this Diocese”), and Canon 17 (“Of Business Methods in Church Affairs”), and Canon 19.1 (“Diocesan Institutions”).

4.7.5.5 Consider and make recommendations respecting all appeals for funds and offerings within the Diocese of Pennsylvania, requiring diocesan approval.

4.7.5.6 **Make recommendations to Diocesan Convention, the Bishop, the Diocesan Council, and the Standing Committee with respect to** ~~Be responsible, under the direction of Diocesan Council, for all the~~ financial affairs of the Diocese, and act in any other ~~business or executive~~ capacity that may be required of it by the Diocesan Council or the Convention.

4.7.5.7 Notify the parishes and missions of the Diocese before November 1st of each year, of the formula for pledging and all assessments for the ensuing calendar year.

4.7.6 The Committee on Finance and Property shall not have the power or authority to acquire, convey or encumber any property of or for the Diocese, real or personal.

Explanation: *The Committee on Finance and Property was created as a sub-committee of Diocesan Council to exercise oversight of the financial affairs of the Diocese. It was always intended to be advisory to the Diocesan Convention, the Bishop and the Diocesan Council, but the use of the word “responsible” created an ambiguity, as it had responsibility without authority. The proposed amendment would clarify its role as financial advisor to the Convention, the Bishop and Diocesan Council, and add the Standing Committee to those to whom Finance and Property would offer financial advice. It would also make clear that the Committee does not have authority to acquire, convey or encumber property of or for the Diocese, real or personal, roles which are limited to Diocesan Convention, the Bishop and the Standing Committee.*

CANON 5
Of the Ecclesiastical Authority

SEC 5.1 *Absence or Disability of the Bishop*

5.1.1 Whenever in these Canons the duty of the Bishop **of the Diocese** to take action is prescribed, such duty, in case of the canonical absence or disability of the Bishop, shall devolve upon the Bishop Coadjutor, if there be one; but if there be no Bishop Coadjutor, or in case of canonical absence or disability of the Bishop Coadjutor as well as of the Bishop, such duty shall devolve upon the Bishop Suffragan, if there be one, and if there be more than one, upon the one senior in time of consecration.

5.1.2 In the absence or disability of the Bishop **Diocesan**, the Bishop Coadjutor, **if there be one**, shall, in accordance with the provisions in the Constitutions and Canons of the General Convention and of this Diocese, become temporarily the Ecclesiastical Authority of the Diocese, but in the case of the absence or inability of both the Bishop **Diocesan** and the Bishop Coadjutor, the Bishop Suffragan shall, under the same condition, become temporarily the Ecclesiastical Authority. In such cases the Bishop who acts temporarily as Ecclesiastical Authority shall remain such until the termination of the absence or disability of the Bishop **Diocesan** or Bishop Coadjutor, as the case may be.

5.1.3 The duty and the right of acting as Ecclesiastical Authority shall devolve upon the Standing Committee or other authority or person, in cases wherein provision is made for their action in place of the Bishop only in the event of the absence or disability of all the Bishops named. or of a vacancy in the episcopate.

5.1.4 Wherever under the Constitution and Canons of the General Convention or of this

Diocese, authority, responsibility, or office ex officio is given to the “Bishop”, the term “Bishop” shall be deemed to mean the Ecclesiastical Authority of the Diocese. The Ecclesiastical Authority, if other than the Bishop Diocesan, shall have all of the authority, responsibilities and hold all offices given to the Bishop Diocesan under these Canons. If the Standing Committee is acting as the Ecclesiastical Authority, the Standing Committee may designate one or more of its members to act on its behalf, except for acts which can only be performed by a Bishop under the Canons of the General Convention which shall be performed by a Bishop appointed by the Standing Committee.

SEC. 5.2

Death or Resignation of the Bishop

Upon the death *or resignation* of the Bishop of the Diocese, if there be no Bishop Coadjutor to succeed, ~~the Bishop Suffragan, if there be one, shall become temporarily~~ the *temporary Ecclesiastical Authority shall remain the Ecclesiastical Authority* until such time as a new Bishop shall be chosen and consecrated.

SEC. 5.3

Legal Proceedings

In any legal proceedings to secure observance of any of the Canons of the Diocese or the General Convention, or for the purpose of protecting the interests of the Church in this Diocese. The Ecclesiastical Authority as herein defined shall be authorized to act in the name of and for the Church in this Diocese.

Explanation: *These proposed amendments are intended to clarify when and how the Standing Committee is to act as Ecclesiastical Authority upon the creation of a vacancy in the episcopate, and to make clear that the use of the term “Bishop” in the Canons means the “Ecclesiastical Authority.”*

**CANON 6
Of the Diocesan Council**

SEC. 6.1

Membership

6.1.1 There shall be a Diocesan Council which shall consist of the Bishop, or Bishops, the Secretary of the Convention, the Treasurer of the Diocese, all *ex officio*, and 3 members from each deanery to be elected by the deaneries. ~~The term of office shall be three years.~~ *In the event the role of Ecclesiastical Authority shall have devolved upon the Standing Committee, the Standing Committee shall designate one of its members to serve on the Diocesan Council in place of the Bishop and on all subcommittees thereof. The Chancellor (or a Vice Chancellor) may attend Diocesan Council Meetings and participate in its discussions, without vote.*

Explanation: *The Canons did not contemplate the Standing Committee acting as Ecclesiastical Authority with respect to membership on the Diocesan Council. This proposed amendment would provide that a member of the Standing Committee to serve on Diocesan Council in place of the Bishop. The last sentence is intended to codify the role of the Chancellor as advisor to Diocesan Council.*

6.1.2 ***Each deanery shall be represented on the Council by one member of the clergy, canonically resident in this Diocese, and two lay persons, who shall be adult communicants in good standing within this Diocese.*** Each deanery shall annually elect one *such* member of Council for a term of three years, such election to be held prior to Convention, and such term to commence at the rising of Convention. ~~In each year, four of the members so elected shall be members of the clergy, canonically resident in this Diocese, and eight shall be lay persons who shall be communicants in good standing within this Diocese and who shall be a minimum of 18 years of age. The distribution of the twelve among the deaneries shall be such that each deanery shall be represented by one member of the clergy and two lay persons so elected.~~ ***In the event a member of Council elected by a deanery shall cease to be a member of that deanery, such member shall immediately resign from Council.***

6.1.3 No additional members of Council shall be selected than by the provisions of this Canon.

Explanation: *These proposed amendments are primarily grammatical and intended for clarification purposes only. The elimination of the requirement that members be 18 years of age is eliminated to be consistent with the Canons of General Convention.*

6.1.4 Any ***elected*** member shall be eligible for re-election but no one shall serve for more than six consecutive years ***except as hereinafter provided***, and no salaried employee of the Diocese or any corporation or organization provided by these Canons, other than

(a) vicars of missions

(b) rectors of parishes

(c) institutional and college chaplains; and

(d) holders of positions determined by the Standing Committee not to raise the possibility of substantial conflict of interest shall be eligible for election on the Diocesan Council. In case of vacancies the respective deaneries shall promptly elect persons to serve the unexpired terms, such elected persons then to be eligible for re-election to two consecutive three year terms. No person who has served two consecutive three-year terms shall be eligible to serve on Council until the passage of at least one year.

6.1.5 The Bishop shall be the chief officer of Diocesan Council, but may delegate the responsibility of presiding at meetings to any other member. ***In the event a Bishop, other than the Bishop Diocesan, is acting as the Ecclesiastical Authority, such Bishop shall act as Chief officer of Diocesan Council. In the event the role of Ecclesiastical Authority shall have devolved upon the Standing Committee, the Council shall elect a member of Council to preside at meetings of Council.*** Whenever the term “Diocesan Council” appears in these Canons, it shall be understood to signify “Bishop and Diocesan Council.”

Explanation: *The Canons did not contemplate the Standing Committee acting as Ecclesiastical Authority with respect to chairing the Diocesan Council. During the past year, the Standing Committee yielded that role to the previously chosen Vice Chair. This proposed amendment would provide a canonical procedure for Diocesan Council to choose its own Chair from among its members should the Standing Committee be the Ecclesiastical Authority.*

6.1.6 The Bishop may invite any persons to attend Diocesan Council Meetings and participate in the discussion; the Diocesan Council may likewise invite any persons by resolution of the quorum.

6.1.7 A quorum shall consist of not less than one-half of the full membership, which shall be necessary for the transaction of business.

6.1.8 The Secretary of Convention shall also serve as Secretary of the Diocesan Council. The Diocesan Council may elect other officers from its membership and organize itself as it considers necessary. It shall make its own rules for the conduct of its business, and shall meet at least bi-monthly, with the exception of July and August. Special meetings may be called by the Bishop or a written petition to the Bishops or Ecclesiastical Authority signed by nine members.

SEC. 6.2 *Powers and Responsibilities (Amended November 11, 2006)*

6.2.1 Diocesan Council’s duty shall be to carry out the programs and policies adopted by the Convention of the Diocese of Pennsylvania.

6.2.2 Diocesan Council’s authority shall be subject to the limitations or directives adopted by Diocesan Convention and by these Canons.

6.2.3 The Bishop and the persons to whom the Bishop shall delegate the necessary and appropriate authority, shall administer and carry on from day to day the program as approved by Convention ~~and Diocesan Council~~. All such persons shall be responsible directly to the Bishop for the performance of their duties, and the Bishop shall be responsible to the Convention and the

Diocesan Council in all matters relating to the adopted programs.

6.2.4 The Diocesan Council shall furnish the Bishop with assistance for the administration of the Diocese.

SEC. 6.3. *Budget and Annual Report (Formerly Section 6.4)*

6.3.1 The Diocesan Council shall prepare and submit to each stated Convention a budget for the work of the Diocese as undertaken or proposed for the ensuing year. The Diocesan Council shall have authority to expend all monies provided for in the budget as adopted, to allocate any otherwise unappropriated funds, and to transfer unexpended balances.

6.3.2 The Diocesan Council, as soon as practicable after the end of each calendar year, shall have prepared and circulated a full report of its work, which report shall also be presented to the stated Convention. It shall publicize the Treasurer's Report, together with a statement of all trust funds or property in its possession and control. It shall be the duty of Diocesan Council to suggest to Convention, from time to time, such changes in legislation or methods as may seem to Diocesan Council to be advantageous to the work of the Church.

CANON 7
Of Funds, Assessments and the Budget

SEC. 7.1 *The Fund for the Endowment of the Episcopate*

The Fund for the Endowment of the Episcopate shall consist of the investments constituting the permanent Fund, heretofore called the Episcopal Fund, and of such other sums or securities as may from time to time be given or raised for the endowment of the episcopate of the Diocese, and the investments thereof shall be in the care of and managed by the Church Foundation. The Church Foundation shall pay over the net income to the Treasurer of the Diocese, to be used for the purposes of the Assessment for the Support of the Episcopate hereinafter described, and shall make an annual report to the Convention.

SEC. 7.2 *Assessment for the Support of the Episcopate*

7.2.1 The Standing Committee shall determine, on or before the first of May of each year, the amount needed for the support of the episcopate in the ensuing year, in accordance with the standing directions of the Convention, and, after deducting therefrom the estimated income to be derived from investments, shall report the balance to Diocesan Council as the amount to be assessed upon the parishes, missions and chapels of the Diocese in such manner as the Convention shall from time to time direct, and in the absence of any such direction in any year, in the manner last directed by Convention.

7.2.2 Income from the Fund from the Endowment of the Episcopate or from any other fund for that purpose shall be added to the proceeds of the above assessment, and payment out of the

SEC. 13.2 *Prohibiting Alienation or Encumbering*

It is hereby declared that all real property which has heretofore been or shall hereafter be devised, conveyed to, or acquired by a Bishop, a dean or any official of the Diocese of Pennsylvania, or any rector therein, or any incorporated parish or mission in this Diocese, for use for religious worship, or for a rectory, parish house or school, shall be taken and held by such a devisee or grantee for the work of the Episcopal Church in the Diocese of Pennsylvania, and no sale, conveyance or mortgage thereof, or lease for more than one year, shall be made by any Bishop, Dean or other Diocesan official, or by any rector, or any incorporated parish or mission without the previous consent of the Ecclesiastical Authority, as defined in Canon 5, and a majority of the members of the Standing Committee, or if there be no Bishop, then by the consent of the Standing Committee only. But these restrictions on sale, mortgaging and leasing shall not apply to real estate used only for purposes of sepulture, ~~or held for investment,~~ or to conveyances in trust to the Church Foundation and nothing herein shall authorize the diversion of any property from the purposes, uses and trusts to which it may have been heretofore lawfully dedicated or to which it may hereafter consistently herewith be lawfully dedicated.

Explanation: *The proposed amendment is intended to eliminate the “investment” exception to the Canons of General Convention, as being contrary to its intent.*

SEC. 13.3 ~~—Regarding Certain Gifts—~~ *Regarding Diocesan Property*

Whenever any property, real or personal has heretofore been or shall hereafter be bequeathed, devised, conveyed or given to **or acquired by** the Diocese of Pennsylvania, or to the Episcopal Church in the Diocese of Pennsylvania, or to any Bishop, Dean or other officer of the Diocese, or to any body thereof, for use in connection with the work of the Diocese, the Ecclesiastical Authority of the Diocese, with the approval of the Standing Committee of the Diocese, may grant, convey, transfer and assign such property, real or personal, to the Church Foundation in trust. Absent specific direction to the contrary in any bequests, devises, conveyances, gifts or deeds of trust for use in connection with the work of the Diocese, and except for gifts specifically directed to the Bishop’s sole discretion, such gifts and the income earned on such gifts shall, consistent with the general directions of the donors, be expended for such particular purposes and uses as may be declared by the Ecclesiastical Authority of the Diocese **only** with the **express** approval of the Standing Committee **as to each such expenditure**.

Explanation: *Section 13.3 is not limited to gifts. It applies to all property acquired by the Diocese, whether by gift, devise, or purchase. The proposed amendment is intended to eliminate any distinction which might be inferred by the Section heading. The language changes in the last sentence are intended to eliminate the ambiguity pursuant to which Bishop Bennison expended diocesan endowments without the required consent of the Standing Committee.*

SEC. 13.4 *Providing a Trustee for Corporations Unable to Function*
No Proposed Modifications

+++++

CANON 19

**Of
Institutions**

SEC. 19.1 *Diocesan Institutions*
No Proposed Modifications

SEC. 19.2 *Episcopal Community Services of the Diocese of Pennsylvania*
No Proposed Modifications

SEC. 19.3 *The Church Foundation*

19.3.1 The Church Foundation shall be the legal owner of any real ***and personal*** property ~~or tangible personal property~~ that it holds in trust and shall implement the directions of the Diocese with respect to such property. The Diocese shall be the equitable owner of such property and shall be responsible for the management and disposition of such property. The Church Foundation shall ***not*** transfer or encumber real ***or personal*** property ***or expend any funds (in excess of amounts necessary to maintain those funds)*** that it holds in trust for the Diocese ~~only upon receipt of appropriate directions pursuant to these Canons.~~ ***without the prior approval of the Bishop and the Standing Committee as to each such transfer, expenditure or encumbrance. In the event the role of Ecclesiastical Authority shall have devolved upon the Standing Committee, the consent of the Diocesan Council shall be required in addition to that of the Standing Committee to transfer or encumber real or personal property or expend any funds held in trust for the Diocese.***

Explanation: *This proposed amendment is intended to make clear that the Church Foundation acts solely as the custodian of Diocesan property, and that no property or funds held by the Church Foundation for the Diocese may be expended without the consent of both the Bishop and the Standing Committee. The last sentence addresses the lack of checks and balances when the Standing Committee acts as both the Ecclesiastical Authority and Standing Committee. It is proposed that in such instances, the consent of Diocesan Council would be required in addition to that of the Standing Committee.*

19.3.2 The Church Foundation shall manage the investment of funds of which it is the trustee and set the spending rate with respect to those funds as permitted by applicable law.