

DIOCESE OF PENNSYLVANIA  
235th CONVENTION  
NOVEMBER 10, 2018

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Name: Rev. Frank Allen  
email: fallen@stdavidschurch.org  
On behalf of the Committee to Incorporate the Diocese

RESOLVED: That the Diocese of Pennsylvania be incorporated as a nonprofit corporation under the laws of the Commonwealth of Pennsylvania.

RESOLVED: That the following new canon, and changes to existing canons and the Constitution of the Diocese, be enacted in order to effectuate structural changes to the Diocese of Pennsylvania consistent with its transition to an incorporated entity.

**CANON 26 The Board of Trustees**

**SEC 26.1 *Composition***

**26.1.1 The Diocese is incorporated as a non-profit corporation under the laws of the Commonwealth of Pennsylvania known as “The Bishop and Trustees of the Protestant Episcopal Church in the Diocese of Pennsylvania, a Pennsylvania corporation”. It shall be managed by a Board of Trustees consisting of thirteen members comprising the Bishop Diocesan, three members of the clergy who shall be elected by the Annual Convention, six lay members who shall be elected by the Annual Convention, and three lay members appointed by the Bishop.**

**26.1.2 All members of the Board of Trustees other than the Bishop shall serve a term of three years. An elected member shall not be eligible for reelection after having been elected twice by the Annual Convention until one Convention year shall have elapsed. An appointed member may serve two consecutive three-year terms (either by appointment or election) in addition to any unexpired term that he or she may have been appointed to fill, after which she or he shall be ineligible to serve for a period of one year.**

**26.1.3 Vacancies in the elected membership of the Board of Trustees, 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 members. Any member so elected shall serve only until the next Annual Convention, when the Convention itself shall elect a member to fill the remaining unexpired term, if any. Vacancies in the appointed membership of the Board of Trustees, whether due to deaths, removals from the Diocese, resignations, or to any other cause, shall be filled by the Board of Trustees.**

**26.1.4 The 236<sup>th</sup> Diocesan Convention shall elect all 9 elected members of the Board of Trustees. The two lay and one clergy nominees elected with the highest number of votes shall serve a three-year term. The two lay and one clergy nominees elected with the**

next-highest number of votes shall serve a two-year term. The two lay and one clergy nominee elected with the next-highest number of votes shall serve a one-year term.

**26.1.5 All clergy members of the Board of Trustees and of the Finance Committee shall be canonically resident in the Diocese. All lay members of the Board of Trustees and of the Finance Committee shall be communicants in good standing of a parish in the Diocese. No member of the Board of Trustees or the Finance Committee may also be concurrently employed by the Diocese.**

**SEC 26.2     *Powers***

**26.2.1 Acquire, hold, manage, administer and dispose, within its sole discretion, real and personal property wherever situated for the use and work of the Diocese;**

**26.2.2 Receive in trust for the use and work of the Diocese all gifts, legacies, bequests, grants and devises to the Diocese;**

**26.2.3 Manage all assets of the Diocese, including all financial and real property;**

**26.2.4 Oversee, through a permanent Finance Committee, the financial affairs of the Diocese. The membership of the Finance Committee shall be established and maintained at the sole discretion of the Board of Trustees, except that it shall consist of the Bishop, the Treasurer of the Diocese, at least three members of the Board of Trustees selected by a vote of the Board of Trustees, and such other persons as the Board of Trustees may select in its sole discretion. The duties of the Finance Committee shall include the following:**

**26.2.4.1         Direct the annual budget process of the Diocese as set forth in Canon 7.3;**

**26.2.4.2.        With regard to the acquisition, management and disposition of real property and tangible personal property:**

**26.2.4.2.1.       Oversee the acquisition and disposition of real and tangible property held in trust for the Diocese with due regard for the roles of the Ecclesiastical Authority and Standing Committee as set forth in Canon 13.2, and for the role of the Church Foundation;**

**26.2.4.2.2.       Oversee the management by Diocesan personnel of real and tangible property held in trust for the Diocese; and**

**26.2.4.2.3        Oversee the process of selling closed churches.**

**26.2.4.3. With regard to the management and disposition of investments in financial instruments:**

**26.2.4.3.1. Review and monitor the investment policy established by the Church Foundation for Diocesan investments;**

**26.2.4.3.2. Provide input to the investment committee of the Church Foundation; and**

**26.2.4.3.3 Review the results for Diocesan investments as reported quarterly by the Church Foundation pursuant to Canon 19.3.2.**

**26.2.4.4. With regard to the general financial affairs of the Diocese:**

**26.2.4.4.1. Determine the short and long term financial goals for the Diocese consistent with its mission and ministries;**

**26.2.4.4.2. Determine policies for the acceptance, use and disposition of gifts to the Diocese;**

**26.2.4.4.3. Determine a policy for and oversee the implementation of a records management policy for the Diocese;**

**26.2.4.4.4. Identify and develop alternative options for sources of revenue for the Diocese;**

**26.2.4.4.5. Oversee, with the assistance of reports from the Canon for Finance, the accounting functions of the Diocese, including audit functions;**

**26.2.4.4.6. Recommend uses for proceeds from closed parishes, consistent with the mission and ministries of the Diocese, to the Ecclesiastical Authority and the Standing Committee in accordance with Canon 13.2; and**

**26.2.4.4.7. Manage all other financial affairs of the Diocese not assigned to other individuals or bodies by these Canons**

**26.2.4.5 With regard to the parochial affairs of the diocese:**

**26.2.4.5.1. Provide for the enforcement of Canons 16 and Canon 17;**

**26.2.4.5.2. Consider and make recommendations respecting all appeals for funds within the Diocese of Pennsylvania requiring Diocesan approval**

**26.2.4.5.3. Provide for the enforcement of financial obligations of individual parishes to the Diocese;**

**26.2.4.5.4. Set guidelines for Parochial Reports consistent with TEC;**

**26.2.4.5.5. Review and compile statistics regarding Parochial Reports;**

**26.2.4.5.6. Determine requirements for property insurance for parishes and review parish compliance therewith; and**

**26.2.4.5.7. Provide for the enforcement of parochial audits.**

**CANON 6    ~~Of the Diocesan Council~~**

SEC 6.1        *Membership<sup>1</sup>*

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~~ **2** members from each deanery to be elected by the deaneries. 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 with voice and vote and on all subcommittees thereof. The Chancellor (or a Vice Chancellor) may attend Diocesan Council Meetings and participate in its discussions, without vote.

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~~ **one lay person**, who shall be **an adult** communicants in good standing within this Diocese. Each representative, clergy and lay, must attend a parish within the deanery he or she represents. Each deanery shall annually elect one such member of Council for a term of ~~two~~ **three** years, such election to be held prior to Convention, and such term to commence at the rising of Convention.

6.1.3    In the event a member of Council elected by a deanery shall cease to be a member of that deanery, such member shall be deemed to have resigned from Council. **In the event of a resignation by a member of Council elected by a deanery or a vacancy created for any other reason, the deanery shall elect a replacement to fulfill the member's unexpired term.**

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

6.1.5    Any ~~elected~~ **elected to a full term** shall be eligible for re-election. ~~but~~ **No member shall serve for more than two consecutive full terms plus any unexpired term to which she or he may have been elected, after which said person shall be ineligible to serve for a period of one year.**

~~6.1.6—six consecutive years, except as hereinafter provided, and no~~ **No** salaried employee of the Diocese **shall be eligible for election to Council other than vicars of missions, rectors of aided parishes, institutional and college persons, and such other persons as the Bishop Diocesan, with the advice of the Standing Committee, may deem eligible.** ~~or any corporation or organization provided by these Canons, other than~~

(a) ~~— vicars of missions~~

(b) ~~— rectors of aided parishes~~

(c) ~~— institutional and college chaplains; and~~

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<sup>1</sup> Amended by the 227<sup>th</sup> Convention in 2010.

~~(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.~~

6.1.7 The Bishop shall be the presiding officer of the 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 or designated by the Ecclesiastical Authority, such Bishop shall act as presiding 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. Wherever the term “Diocesan Council” appears in these Canons, it shall be understood to signify “Bishop and Diocesan Council.”

6.1.8 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.

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

6.1.10 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 by written petition to the Bishops or Ecclesiastical Authority signed by nine members.

## SEC 6.2 *Powers and Responsibilities*<sup>2</sup>

6.2.1 Diocesan Council’s duty shall be to carry out the programs and mission 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 Diocesan Council shall:**

**6.2.3.1 act as the “Convention between Conventions,” coordinating and furthering the programs and mission of the Diocese and implementing the resolutions relating to the programs and mission of the Diocese that may be passed by the Annual Convention of the Diocese or the General Convention;**

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<sup>2</sup> Amended by the 223<sup>rd</sup> Convention in 2006 and the 227<sup>th</sup> Convention in 2010.

**6.2.3.2** oversee and coordinate the implementation of resolutions relating to the programs and mission of the Diocese that may be passed by the Annual Convention; and

**6.2.3.3.** consider, enact and implement emergency resolutions (on matters not reserved to the Standing Committee) on matters that may come before Diocesan Council that, in its considered opinion, cannot be held until the next Annual Convention. Such resolutions shall be referred to the Resolutions Committee for presentation to the next Annual Convention and shall lapse unless ratified by the next Annual Convention.

**6.2.3.4.** report annually to the Annual Convention concerning its activities and actions.

**6.2.4** The Bishop and the persons to whom the Bishop shall delegate the necessary and appropriate authority, shall administer from day to day the programs and mission as approved by Convention . 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 and mission.

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

**6.2.6** The Diocesan Council shall maintain the following permanent committees:

**Budget Recommendation;**

**Christian Formation;**

**Congregational Development;**

**Congregational Life for Mission;**

**Social Concerns; and**

**Leadership Development**

**The membership and responsibilities of each committee shall be determined by Council.**

**6.2.7** The Diocesan Council has the authority to form such additional committees as it deems advisable to further the programs and mission of the Diocese.

### *SEC 6.3 Budget and Annual Report*<sup>3</sup>

**6.3.1** The Diocesan Council shall have authority to expend all monies provided for in the annual budget as adopted by Convention, subject to the authority of the Finance Committee as set forth in Canon 7.32.

**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

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<sup>3</sup> Amended by the 229<sup>th</sup> Convention in 2012.

to the stated Convention. It shall be the duty of the Diocesan Council to suggest to the Convention, from time to time, such changes in legislation or methods as may seem to the Diocesan Council to be advantageous to the work of the Church.

6.3.3 The Diocesan Council shall provide congregations with financial management, education and support services.

~~6.3.4 The Diocesan Council shall administer the Diocesan Loan Fund; and~~

6.3.54. The Diocesan Council shall provide for the enforcement of Canon 19.1.

## SEC 4.1 *The Standing Committee*

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

4.1.2 At each ~~State~~**Annual** 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~~**four** years.

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 ~~State~~**Annual** 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.

4.1.5 A member of the Standing Committee shall not be eligible for reelection after having been elected twice by Convention until one Convention year shall have elapsed.<sup>4</sup>

**4.1.6. In order to effect a reduction in membership from ten persons to eight persons, no election shall be held at the 237<sup>th</sup> Annual Convention to replace the members whose terms expire in that year.**

**[NOTE: While this canonical change would become effective once passed by the 235<sup>th</sup> (2018) Annual Convention, a parallel provision is found in Article VIII of the Constitution of the Diocese, which can only be changed if approved by two successive conventions. Thus the adjustment in membership could not occur prior to the 237<sup>th</sup> (2020) Annual Convention].**

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<sup>4</sup> Adopted at the 229<sup>th</sup> Convention in 2012.

## CONSTITUTION ARTICLE VIII

The Standing Committee and Council of Advice shall consist of ~~ten~~**eight** members, ~~five~~**four** Clerical and ~~five~~**four** Lay members. At their first meeting they shall elect one of their members to be President, and another of their members to be Secretary. They shall keep regular minutes of their proceedings, subject to the inspection of the Convention. A majority of the members (the whole having been summoned) shall be a quorum, except for such purposes as **the Committee**, ~~agreeably to their own rules~~, may require a larger number. They may make rules of meeting and business, and alter or repeal them from time to time.

SEC 19.3      *The Church Foundation*<sup>5</sup>

19.3.1 The Church Foundation shall be the legal owner of any real and **tangible** personal property that it holds in trust **for the benefit of the Diocese and, subject to the terms of any trust instrument restricting the manner in which the property may be used**, shall implement the directions of the **Board of Trustees** ~~Diocese with respect to such property~~. The **Corporation** ~~Diocese~~ shall be the equitable owner of such property and, **subject to the terms of any trust instrument restricting the manner in which the property may be used**, 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 **Corporation** ~~Diocese~~ without the prior approval of the **Board of Trustees** ~~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.~~

19.3.2. The Church Foundation shall hold as trustee investment funds delivered in trust to the Diocese **that the Board of Trustees determines should be managed by The Church Foundation**, manage the investment of said funds of which it is the trustee and report results quarterly to the **Board of Trustees, or such other body as the Board of Trustees shall designate**, ~~Finance Committee, Standing Committee and Bishop Diocesan~~, and annually to the Diocesan Convention

19.3.3. The Church Foundation shall annually present to the **Board of Trustees** ~~Finance Committee~~ for its review an investment policy for investment funds delivered in trust for the Diocese

19.3.4 The Church Foundation shall manage the investments of individual parishes and other institutions of the Diocese that place investment with it and report results to said parishes and other institutions on a regular basis.

19.3.5 The Church Foundation shall report estimates of endowment income for the following fiscal year to the **Board of Trustees** ~~Finance Committee~~ by March 31 of each year

19.3.6 The Church Foundation shall distribute or reinvest income from the Consolidated Fund quarterly or as directed in the applicable trust agreements;

19.3.7 The Church Foundation shall assure that proper insurance is obtained for the real and personal property to which it holds title.

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<sup>5</sup> Amended by the 227<sup>th</sup> Convention in 2010 and by the 229<sup>th</sup> Convention in 2012.

SEC 4.6 ~~The Finance Committee~~<sup>6</sup>

4.6.1 The Finance Committee shall have the following members, none of whom (except for the ex officio members) shall serve for more than 7 consecutive years:

~~4.6.1.1 The Bishop Diocesan, *ex officio*, or other bishop acting as the Ecclesiastical Authority in the absence of a Bishop Diocesan. In the event the role of Ecclesiastical Authority shall have devolved upon the Standing Committee, this seat shall remain vacant;~~

~~4.6.1.2 A lay person who is a communicant in good standing in the Diocese, or a clergy person canonically resident in the Diocese, who is designated by the Bishop Diocesan or other bishop serving under 4.6.1.1. above;~~

~~4.6.1.3 One lay person and one clergy person who are members of and designated by the Standing Committee;~~

~~4.6.1.4 One lay person and one clergy person who are members of and designated by Diocesan Council;~~

~~4.6.1.5 Three clergy persons canonically resident in the Diocese, and three lay persons who are communicants in good standing in the Diocese, each of whom shall be elected by the Diocesan Convention for three-year terms staggered so that one clergy person and one lay person are elected each year.~~

~~4.6.1.5.1 The Finance Committee shall have power to fill any vacancies in the number of persons elected by the Diocesan Convention until the next Diocesan Convention, at which time an election will be held to fill the remaining term, if any, of the vacancy.~~

~~4.6.1.5.2. No person shall be eligible to be elected by the Diocesan Convention to the Finance Committee after having been twice elected by the Diocesan Convention until one Convention year shall have elapsed.~~

~~4.6.1.5.3 At the 230<sup>th</sup> Diocesan Convention all 6 representatives to the Finance Committee shall be elected. The lay and clergy nominee elected with the highest number of votes shall serve a three-year term. The lay and clergy nominee elected with the next highest number of votes shall serve a two-year term. The lay and clergy nominee elected with the next highest number of votes shall serve a one-year term.~~

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<sup>6</sup> Adopted at the 229<sup>th</sup> Convention in 2012

~~4.6.1.6 The Treasurer of the Diocese, *ex officio*;~~

~~4.6.1.7 The Canon For Finance (or such other person as may be appointed by the Bishop to oversee the financial affairs of the Diocese), *ex officio*, who shall serve with voice but no vote;~~

~~4.6.1.8 One person designated by The Church Foundation, who shall serve with voice but no vote.~~

~~4.6.2 The Finance Committee shall:~~

~~4.6.2.1 annually hold an organizational meeting no later than thirty (30) days following the Diocesan Convention, at which it shall elect a chair and secretary from among its members, each of whom shall serve a one year term; and~~

~~4.6.2.2 meet at least once every three months.~~

~~4.6.3 The Finance Committee shall have the power to form subcommittees under its direction that may include among their members persons who are not members of the Finance Committee. Said persons may have voice and vote on matters coming before the subcommittees but may not have a vote on the Finance Committee itself. The Finance Committee may also call upon consultants to assist with its responsibilities who may have voice on the Finance Committee but not a vote.~~

~~4.6.4 The duties and responsibilities of the Finance Committee shall be as follows:~~

~~4.6.4.1 Direct the annual budget process of the Diocese as set forth in Canon 7.3;~~

~~4.6.4.2 With regard to the acquisition, management and disposition of real property and tangible personal property:~~

~~4.6.4.2.1 Oversee the acquisition and disposition of real and tangible property held in trust for the Diocese with due regard for the roles of the Ecclesiastical Authority and Standing Committee as set forth in Canon 13.2, and for the role of the Church Foundation;~~

~~4.6.4.2.2 Oversee the management by Diocesan personnel of real and tangible property held in trust for the Diocese; and~~

~~4.6.4.2.3 Oversee the process of selling closed churches.~~

~~4.6.4.3. With regard to the management and disposition of investments in financial instruments:~~

~~4.6.4.3.1. Review and monitor the investment policy established by the Church Foundation for Diocesan investments;~~

~~4.6.4.3.2. Provide input to the investment committee of the Church Foundation; and~~

~~4.6.4.3.3. Review the results for Diocesan investments as reported quarterly by the Church Foundation pursuant to Canon 19.3.2.~~

~~4.6.4.4. With regard to the general financial affairs of the Diocese:~~

~~4.6.4.4.1. Determine the short and long term financial goals for the Diocese consistent with its mission and ministries;~~

~~4.6.4.4.2. Determine policies for the acceptance, use and disposition of gifts to the Diocese;~~

~~4.6.4.4.3. Determine a policy for and oversee the implementation of a records management policy for the Diocese;~~

~~4.6.4.4.4. Identify and develop alternative options for sources of revenue for the Diocese;~~

~~4.6.4.4.5. Oversee, with the assistance of reports from the Canon for Finance, the accounting functions of the Diocese, including audit functions;~~

~~4.6.4.4.6. Recommend uses for proceeds from closed parishes, consistent with the mission and ministries of the Diocese, to the Ecclesiastical Authority and the Standing Committee in accordance with Canon 13.2;~~

~~4.6.4.4.7. Draft, and submit to the Nominating Committee prior to the 230<sup>th</sup> Diocesan Convention, criteria for the election of representatives from Convention to the Finance Committee, and revise said criteria from time to time; and.~~

~~4.6.4.4.8. Manage all other financial affairs of the Diocese not assigned to other individuals or bodies by these Canons~~

~~4.6.4.5 With regard to the parochial affairs of the diocese:~~

~~4.6.4.5.1. Provide for the enforcement of Canons 16 and Canon 17;~~

~~4.6.4.5.2. Consider and make recommendations respecting all appeals for funds within the Diocese of Pennsylvania requiring Diocesan approval~~

~~4.6.4.5.3. Provide for the enforcement of financial obligations of individual parishes to the Diocese;~~

~~4.6.4.5.4. Set guidelines for Parochial Reports consistent with TEC;~~

~~4.6.4.5.5. Review and compile statistics regarding Parochial Reports;~~

~~4.6.4.5.6. Determine requirements for property insurance for parishes and review parish compliance therewith; and~~

~~4.6.4.5.7. Provide for the enforcement of parochial audits.~~

3.3.1 The Treasurer of the Diocese shall:

- 3.3.1.1 arrange for the collection of all sums due under assessments, and for the receipt of all such contributions from parishes, missions and individuals ;
- 3.3.1.2 disburse the same in accordance with the wishes of the contributors or, in the absence thereof, the direction of the **Board of Trustees Finance Committee**;
- 3.3.1.3 facilitate management of the budget process set forth in Canon 7.2;
- 3.3.1.4 Report regularly to the Finance Committee regarding the comparison of actual versus budgeted revenues and expenses;
- 3.3.1.5 Identify trends in revenues and expenses and make regular reports concerning them to the Finance Committee
- 3.3.1.6 Oversee the performance of required audit functions of Diocesan books and records
- 3.3.1.7 Review Parochial Reports annually and report issues of financial concern to the **Board of Trustees Finance Committee, Bishop Diocesan, Standing Committee and Diocesan Council**

SEC 7.2 *The Diocesan Budget Process*<sup>7</sup>

7.2.1 On an annual basis, subject to, and in order to give effect to, the mission and ministries of the Diocese, the Finance Committee shall direct the process of forming a single budget for the diocese, consolidating the former episcopate and program budgets:

7.2.1.1. The Finance Committee shall determine projected expenses, including the amounts needed:

7.2.1.1.1 for the support of the episcopate during the ensuing year;

7.2.1.1.2 to pay all of the expenses associated with the Diocesan Convention;

7.2.1.1.3 in support of General Convention, the Provincial Synod, and the Episcopal Church;

7.2.1.1.4 to pay the expenses of the bishops and deputies from the Diocese attending General Convention and/or the Provincial Synod;

7.2.1.1.5 to operate and maintain Diocesan Offices, the expenses of the Bishop's Office and staff;

7.2.1.1.6 to support the missions and ministries of the Diocese; and

7.2.1.1.7 to pay for any other expenses that the Diocesan Convention, by Canon or Resolution, may authorize to be incurred and paid.

7.2.1.2 The Finance Committee shall determine projected revenue from the following sources:

7.2.1.2.1 estimated income to be received from investments, including but not limited to income from the Fund for the Endowment of the Episcopate;

7.2.1.2.2 an assessment upon the parishes, missions and chapels of the diocese in such manner as the Diocesan Convention shall direct in support of the episcopate, subject to the approval of the Standing Committee; and

7.2.1.2.3 voluntary pledges of support by the parishes and missions of the Diocese through a regular allocation of their income.

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<sup>7</sup> Amended by the 229<sup>th</sup> Convention in 2012.

7.2.2 The Finance Committee shall produce a draft budget by June 1 of each year that it shall submit for review and recommendations to the **Board of Trustees** ~~Bishop Diocesan~~, the Standing Committee and Diocesan Council.

7.2.3 The Finance Committee shall produce a final budget at least 60 days prior to the Annual Convention. The final budget shall be approved by the Diocesan Convention described, and shall make an annual report to the Convention.

SEC 7.3            *Revisions to the Budget Approved by the Annual Diocesan Convention*<sup>8</sup>

7.3.1. The ~~Diocesan Council~~ **Finance Committee** shall have the authority to **recommend to the Board of Trustees increases or reductions in** ~~increase or reduce~~ budgeted expenses ~~(as set forth in Section 7.2.1.1)~~ in the annual budget approved by Diocesan Convention, **or reallocations among budgeted expenses**, provided it does so in keeping with the mission and ministries of the Diocese, to account for changes in revenue received or expenses incurred. **The Board of Trustees shall have the final authority to approve or disapprove such increases or reductions.**

7.3.2. ~~The Finance Committee may also make reallocations among budgeted expenses (as set forth in Section 7.2.1.1), provided said reallocations are approved by the Bishop Diocesan, the Standing Committee, and Diocesan Council.~~

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<sup>8</sup> Adopted by the 229<sup>th</sup> Convention in 2012.

## CANON 13 Of Property Held for Religious Purposes

### SEC 13.1 *Prohibiting the Destruction or Desecration of Consecrated Buildings*

It shall not be lawful for any church, parish or mission in this Diocese to permit to be removed, or to be taken down, or to be used for any” unhallowed, worldly or common use” any consecrated church or chapel, without the previous consent of the Bishop, acting with the advice and consent of the Standing Committee.

### SEC 13.2 *Prohibiting Alienation or Encumbering<sup>9</sup>*

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 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.

### SEC 13.3 *Regarding Diocesan Property<sup>10</sup>*

Whenever any property, real or personal, ~~is has heretofore been or shall hereafter be~~ bequeathed, devised, conveyed, 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, **such property shall be conveyed to the Corporation. The Board of Trustees** ~~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

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<sup>9</sup> Amended by the 227<sup>th</sup> Convention in 2010.

<sup>10</sup> Amended by the 227<sup>th</sup> Convention in 2010.

declared by the Ecclesiastical Authority of the Diocese with the approval of the Standing Committee.

SEC 13.4 *Providing a Trustee for Corporations Unable to Function*

Whenever any property, real or personal, has heretofore been or shall hereafter be bequeathed, devised or conveyed to, or be in any manner in the lawful possession of any incorporated body, for use in connection with the work of the Episcopal Church in this Diocese, and such incorporated body

- (a) through loss of membership or otherwise is, or shall become, incapable of corporate action, or
- (b) in the determination of the Standing Committee has, in fact, discontinued normal exercise of corporate functions, or
- (c) through its vestry or board of directors shall formally resolve it wishes to relinquish such trust,
- (d) shall legally dissolve, or
- (e) in the determination of the Bishop, with the advice and consent of the Standing Committee, has ceased to act in accordance with the Constitution, Canons, doctrine, discipline, and worship of The Episcopal Church and the Constitution and Canons of this Diocese,

then the Ecclesiastical Authority, anything in the articles of incorporation or bylaws of such incorporated body to the contrary notwithstanding, shall be trustee thereof, by and with the consent of the Standing Committee, to take such steps as may be legally necessary or proper to vest such property, real or personal, in **the Corporation or The Church Foundation, at the Ecclesiastical Authority's discretion, or as required by law**, under the same trusts under which it had been held by such incorporated body, or if there be no such trusts, or if the same, in the judgment of the Ecclesiastical Authority, have become impractical of execution, then under such additional or different trusts as may be declared by the Ecclesiastical Authority by and with the approval of the Standing Committee. In the event of the application of clause (e) of this Canon 13.4, nothing herein shall be construed to preclude the Ecclesiastical Authority from first seeking reconciliation.

~~SEC 13.5<sup>11</sup> Notwithstanding any other provision of these Canons, (1) the Wapiti Property may be encumbered, unencumbered, sold or otherwise alienated with the joint consent, written or otherwise, of the Standing Committee, the Diocesan Council and the Finance Committee; (2) the sale, conveyance or mortgage of the Wapiti Property may be undertaken and completed without the consent of the Bishop Diocesan, Charles Bennison, and (3) The proceeds of any such sale or conveyance of the Wapiti Property shall be placed in a temporarily~~

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<sup>11</sup> Adopted by the 228<sup>th</sup> Convention in 2011

restricted fund and, in accordance with the wishes of Convention and subject to the approval of the **Board of Trustees** ~~Bishop and Standing Committee~~, shall be used to replenish the funds depleted to purchase and maintain the property (per the Fifth resolve of Resolution R-11 adopted at the 225<sup>th</sup> Convention of the Diocese of Pennsylvania at its meeting in November Of 2008). ~~This Canon 13.5 shall not apply to any Bishop Diocesan other than Charles Bennison, and will become null and void upon the retirement of Bishop Bennison.~~

SEC 11.2      *Title to Real Estate*

11.2.1 The title to real estate **hereinafter** given to or purchased by or for the mission for Church purposes shall be vested in **the Corporation or The Church Foundation, as the Board of Trustees shall decide or as required by law**, to be held by it upon such trusts as are declared for the work of the Church in this Diocese, as carried on in the mission. When a parish is formed to succeed a diocesan mission, the **Board of Trustees**~~Diocesan Council~~ may **cause the** transfer **of** the title to such real estate to the parish, subject to the acceptance by the parish of any mortgage obligations which encumber the title, in trust, nevertheless, for use in accordance with the Constitution, Canons, doctrine, discipline and worship of the Episcopal Church in this Diocese as the same may be determined by the Ecclesiastical Authority and Diocesan Council, and to be reconveyed by the parish at such times, for such purposes, and to such persons as the Ecclesiastical Authority and Diocesan Council may require.