DIOCESE OF ONTARIO
The Anglican Church of Canada

POLICY FOR PARISH ARREARS RESOLUTION

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PREAMBLE

As the Anglican Church, we are a church that is episcopally led and synodically governed. The Diocese of Ontario is a local expression of one Anglican family of God. Its parishes care about one another and support each other because we understand that together we are stronger than we are as individual, congregational expressions of that same church family. The Diocese is the collection of those parishes and creates an environment in which support of one another is possible and encouraged.

By sharing in this common responsibility, we are able to assist one another in a diocesan family unit. While the Diocese (the collection of its parishes) is open to provide assistance when needed, each parish has an obligation to do everything possible to engage the local mission, while at the same time respecting its responsibility to the other parishes in the diocese and the wider mission of the Anglican Church. The financial aspect of that responsibility to support one another is referred to as “Common Ministry and Mission.”. Therefore, non-payment of its obligations by a parish is not only contrary to the wishes of the Diocesan Synod, but also places it in a different relationship with those parishes which are complying.

The Diocese also recognizes that from time to time, a parish may not be able to meet its obligations to the Diocese (its sister parishes). In some of these circumstances, there is a call to look toward a bright and viable future without dwelling on the past. In other circumstances, the inability to support its obligations can be a part of a more serious circumstance, where longer term viability and sustainability may be in question.

The purpose of this policy is to provide a way of ensuring that all support the Common Mission and Ministry of the Diocese, while helping parishes and the Diocese meet constitutional, canonical and ministry commitments. At the same time the purpose is to provide a means so that in special circumstances, we may support each other. It is also meant to provide for discussion and action where the path forward is more difficult.

There are a number of reasons why arrears occur, divided into two main groupings:

- Parishes which do not have the means to meet current obligations (cannot pay)
- Parishes which have the means but do not meet current obligations (will not pay)

This policy is intended to include both groupings and a range of circumstances.

Note: This policy builds on and expands Canon B11, as well as Canon 10 (Draft Canons)

POLICY AND PROCEDURE

1. A congregation or parish whose account is more than 30 days overdue, will be charged interest at the rate of one percentage point per annum above the diocese's short-term cost of borrowing.

2. Once congregations or parishes find themselves over 90 days in arrears to the Diocese, they will be expected within 30 days to provide the Executive Officer with a Recovery Plan for meeting their current financial obligations to the Diocese while addressing the overdue amounts. Upon review of the Recovery Plan and recommendation by the Finance Committee, Synod Council will approve or not approve the plan. If not approved, it is to be returned along with Synod Council's feedback to the parish for alteration and resubmission. In short term Recovery Plans, there will not normally be any forgiveness of arrear or interest.

3. If a congregation or parish does not remain faithful to the Recovery Plan formulated in (2) above, they shall be considered in arrears without a Recovery Plan.

4. Should a congregation or parish remain in a situation of indebtedness to the Diocese for 120 days without providing a Recovery Plan to the Executive Officer:

a. The Territorial Archdeacon, Executive Officer and Financial Officer shall meet with the Wardens, Treasurer and Incumbent of the Parish to review the financial situation, the budget for the congregation for the forthcoming financial year and the plan to secure money to meet such budget. In addition, there would also be a review of any major expenditures prior to them being committed.
b. If possible, a Viability Plan shall be created by the Parish with the assistance of the Territorial Archdeacon, the Executive Officer and the Financial Officer. The proposed Viability Plan and any key assumptions or dependencies (such as forgiveness, interest freeze, etc) should be reviewed by the Finance Committee before being presented to Synod Council for Approval.
c. If no Viability Plan is developed, the Executive Officer shall review the situation at The Bishop's Advisory Committee, who may recommend to the Bishop that Parish Restructuring, Clerical Realignment occur or that Synod Council appoint a parish Administrator.
d. The Bishop shall determine the viability of the parish and any appropriate or required actions.

5. In some circumstances and where a longer-term repayment schedule is required, following a recommendation by the Finance Committee, Synod Council may deem it appropriate for a congregation or parish to convert their indebtedness into a Loan from the Diocese (not to exceed 7 years). This agreement would contain all terms, including interest rate, term of the loan, payment schedule and any forgiveness, etc. A Loan is only available when a congregation or parish has demonstrated its intention and ability to

remain viable going forward by following the commitments in their Viability Plan for a minimum of six months.

6. Because of the possibility of conflict of interest issues, under no circumstances shall a congregation or parish embark on a credit or loan arrangement with a parishioner or parishioners.

7. If, after 12 months of indebtedness, a congregation or parish is not engaged in an approved Viability Plan, the Executive Officer will confer with the Diocesan Bishop with a view towards considering the advisability of continuing the tenure of the Incumbent as provided for under Canon 10.

8. Synod Council will quarterly review the performance of all parish Recovery and Viability Plans. If a Parish cannot meet the commitments made in a Recovery or Viability Plan, the provision under 4 c) will take effect.

9. If, after investigation and review by the Executive Officer and Territorial Archdeacon it is determined that a Parish has the means to meet its obligations but chooses not to (ie will not pay), the matter shall be referred to the Bishop's Advisory Committee for a recommended action within the Constitution and Canons of the Diocese. The Bishop may deem it necessary to remove any incumbent, church warden or other officer after having an interview with them to hear and consider any representations made on their behalf.

10. Synod Council may, at its discretion and with the agreement of the Bishop, at any time reduce a parish in default to the status of an "Aided Parish" or "Mission" as an interim measure prior to re-alignment. Draft Canon 25 provides further detail.

11. Regardless of how a Parish designates the purpose of a payment, payments will first be applied against any outstanding Payroll amounts in their account.

GUIDELINES FOR A RECOVERY PLAN

1. A Parish must acknowledge and accept that the arrears are an obligation to the Diocese and the other churches of the Diocese.

2. A Parish must demonstrate a determined intention to punctually meet its monthly commitments to the Diocese (Payroll, CMM, insurance, etc) and the agreed repayment of arrears.

3. Once approved, the Parish must submit a financial statement detailing all revenues, expenses, assets and liabilities on a monthly basis to the Diocesan Financial Officer.

4. While the Parish continues to have outstanding financial arrears to the Diocese which are not addressed with an approved Recovery Plan, an appointee will not normally be installed as Rector, Incumbent or Associate not withstanding the Diocesan Bishop's sole discretion, to make such an appointment.

GUIDELINES FOR A VIABILITY PLAN

1. A Parish must acknowledge and accept that the arrears are an obligation to the Diocese and the other churches of the Diocese.

2. A Parish must demonstrate a determined intention to punctually meet its monthly commitments to the Diocese (Payroll, CMM, insurance, etc) and the agreed repayment of arrears.

3. A parish proposing a Viability Plan must have an active Stewardship Committee.

4. Once approved, the Parish must submit a financial statement detailing all revenues, expenses, assets and liabilities on a monthly basis to the Diocesan Financial Officer.

5. While the Parish continues to have outstanding financial arrears to the Diocese which are not addressed with an approved Viability Plan, an appointee will not normally be installed as Rector, Incumbent or Associate, not withstanding the Diocesan Bishop's sole discretion, to make such an appointment.

6. As part of a longer-term Loan Arrangement, Synod Council may "write off" amounts owing (with the exception of Payroll related). Such a "write off" requires that the parish has made efforts to and successfully become current. All "write offs" or forgiveness of owing in the Viability Plan and associated Loan is contingent on the Parish remaining up to date in its current obligations

7. While the Diocese may "write-off "or forgive some or all of a parish's CMM owing, the first priority is to support parishes in efforts to secure sufficient funds to realize financial stability. There are various ways the Diocese provides this support:
    a. leadership in strong stewardship initiatives implemented at the parish level;
    b. the provision of a team led by a territorial Archdeacon to support and give direction to parishes which cannot meet their financial obligations
    c. counsel and support directly from members of the Diocesan Finance Committee or Synod Council assigned when necessary.