

Constitution
and
Canons
Together with
The Rules of Order



For the governance of the Protestant Episcopal Church in the
United States of America, otherwise known as

The Episcopal Church

Adopted and Revised in General Conventions 1785–2022

Sec. 5

- a. It shall be the duty of the Secretary of the Convention of every jurisdiction to forward to the Secretary of the House of Deputies by electronic means, immediately upon publication, one (1) copy of the Journal of the Convention of the jurisdiction, together with episcopal charges, statements, and such other records in electronic format as may show the state of the Church in that jurisdiction, and one (1) copy to the Archives of the Church in electronic format as prescribed by the Archivist of the Church.
- b. A Committee of the House of Deputies shall be appointed following the close of each General Convention, to serve *ad interim*, and to prepare and present to the next meeting of the House of Deputies a report on the State of the Church; which report, when agreed to by the said House, shall be sent to the House of Bishops.

Journals to be forwarded to Secretary and Archives.

Report to the House of Deputies.

Canon 7: Of Business Methods in Church Affairs

Sec. 1. In every Province, Diocese, Parish, Mission and Institution connected with this Church, the following standard business methods shall be observed:

Standards observed.

- a. All accounts of Provinces shall be audited annually by an independent certified public accountant, or independent licensed accountant, or such audit committee as shall be authorized by the Provincial Council. The Audit Report shall be filed with the Provincial Council not later than September 1 of each year, covering the preceding calendar year.
- b. Funds held in trust, endowment and other permanent funds, and securities represented by physical evidence of ownership or indebtedness, shall be deposited with a National or State Bank, or a Diocesan Corporation, or with some other agency approved in writing by the Finance Committee or the Department of Finance of the Diocese, under a deed of trust, agency or other depository agreement providing for at least two signatures on any order of withdrawal of such funds or

Provinces to be audited.

Deposit of funds.

- Proviso.* securities. But this paragraph shall not apply to funds and securities refused by the depositories named as being too small for acceptance. Such small funds and securities shall be under the care of the persons or corporations properly responsible for them. This paragraph shall not be deemed to prohibit investments in securities issued in book entry form or other manner that dispenses with the delivery of a certificate evidencing the ownership of the securities or the indebtedness of the issuer.
- Record of trust funds.* c. Records shall be made and kept of all trust and permanent funds showing at least the following:
1. Source and date.
 2. Terms governing the use of principal and income.
 3. To whom and how often reports of condition are to be made.
 4. How the funds are invested.
- Treasurers to be bonded.* d. Treasurers and custodians, other than banking institutions, shall be adequately bonded; except treasurers of funds that do not exceed five hundred dollars at any one time during the fiscal year.
- Books of account.* e. Books of account shall be so kept as to provide the basis for satisfactory accounting.
- Annual audit.* f. All accounts of the Diocese shall be audited annually by an independent Certified Public Accountant. All accounts of Parishes, Missions or other institutions shall be audited annually by an independent Certified Public Accountant, or independent Licensed Public Accountant, or such audit committee as shall be authorized by the Finance Committee, Department of Finance, or other appropriate diocesan authority.
- g. All reports of such audits, including any memorandum issued by the auditors or audit committee regarding internal controls or other accounting matters, together with a summary of action taken or proposed to be taken to correct deficiencies or implement recommendations contained in any such memorandum, shall be filed with

the Bishop or Ecclesiastical Authority not later than 30 days following the date of such report, and in no event, not later than September 1 of each year, covering the financial reports of the previous calendar year.

- h. All buildings and their contents shall be kept adequately insured. *Insurance.*
- i. The Finance Committee or Department of Finance of the Diocese may require copies of any or all accounts described in this Section to be filed with it and shall report annually to the Convention of the Diocese upon its administration of this Canon. *Report to Convention.*
- j. The fiscal year shall begin January 1. *Fiscal year.*

Sec. 2. The several Dioceses shall give effect to the foregoing standard business methods by the enactment of Canons appropriate thereto, which Canons shall invariably provide for a Finance Committee, a Department of Finance of the Diocese, or other appropriate diocesan body with such authority. *Dioceses to enforce by Canon.*

Sec. 3. No Vestry, Trustee, or other Body, authorized by Civil or Canon law to hold, manage, or administer real property for any Parish, Mission, Congregation, or Institution, shall encumber or alienate the same or any part thereof without the written consent of the Bishop and Standing Committee of the Diocese of which the Parish, Mission, Congregation, or Institution is a part, except under such regulations as may be prescribed by Canon of the Diocese. *Encumbrance of property requires consent.*

Sec. 4. All real and personal property held by or for the benefit of any Parish, Mission or Congregation is held in trust for this Church and the Diocese thereof in which such Parish, Mission or Congregation is located. The existence of this trust, however, shall in no way limit the power and authority of the Parish, Mission or Congregation otherwise existing over such property so long as the particular Parish, Mission or Congregation remains a part of, and subject to, this Church and its Constitution and Canons. *Property held in trust.*

Sec. 5. The several Dioceses may, at their election, further confirm the trust declared under the foregoing Section 4 by appropriate action, but no such action shall be necessary for the existence and validity of the trust.