

BYLAWS OF THE SALFORD MENNONITE CHURCH

Harleysville, PA



ARTICLE I — PURPOSE

The Salford congregation is “A joyful learning community eager to live and share the peaceable way of Jesus.” As we continue our journey of seeking to live out our faith, we commit to our core values (Appendix 1). This congregation is organized exclusively for religious, charitable, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Revenue law).

ARTICLE II — NAME & AFFILIATION

This congregation, Salford Mennonite Church, shall belong to and be mutually accountable to the Mosaic Mennonite Conference, Mennonite Church USA, and Mennonite World Conference. Salford Mennonite Church is also a domestic nonprofit corporation (“Corporation”).

ARTICLE III — MEMBERSHIP

All who seek membership at Salford may do so through discernment in community with the congregation and believers’ baptism or profession of faith. Membership is a formal commitment to love and serve God in the context of the church community. Church members share resources, bless others with their spiritual gifts, meet the needs of the community, and help envision and shape the community’s direction as it tries to seek God’s Kingdom and imitate Jesus. All members have the right to participate in the leadership and decision-making of the church and may give counsel and vote on all questions brought before the church.

We look to the *Mennonite World Conference Shared Convictions* (Appendix 3), the *1995 Confession of Faith in a Mennonite Perspective*, and the *Salford Accountability Guidelines* (Appendix 2) as guides as we interpret scripture in our local Salford community context.

Section A — Non-participating Members

Ministry to nonparticipating or absentee members will be provided in a deliberate and purposeful way by the Pastors and the Church Board. As we experience the loss of members, the Pastors will provide appropriate follow-up with these members.

Section B — Transfer of Membership

A request for a letter to transfer membership to another congregation shall be brought to the Church Board by the Pastors for affirmation.

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Section C — Forfeiture of Membership

Members who renounce faith in Jesus Christ as Lord or are unwilling to participate in relationships consistent with the congregational Mission and Welcoming Statements shall be counseled by members in good standing in the pattern of Matthew 18. If such counsel is rejected, upon the recommendation of the Church Board and in dialogue with the congregation, that member forfeits membership and all official and legal rights of a member of the Congregation.

ARTICLE IV — CONGREGATIONAL MEETINGS

The Church Board shall call congregational meetings. At least one meeting should be held annually where the budget will be discussed and subsequently the budget will be approved. The date shall be set by the Church Board. The specific dates of other meetings shall be determined by the Church Board and announced at least two Sundays prior to the meetings along with the stated purpose. These meetings shall be moderated by the Chair of the Church Board. When congregants raise a concern to the Church Board, the Church Board will discern the issue, and if the Church Board agrees that the issue affects the spiritual, emotional, or relational health of the congregation, a response will be made, as set forth below.

Section A — Decision-making

The congregation is the final authority in decision-making. There are two categories of issues that call for congregational decisions and the procedures vary accordingly. These categories are not different necessarily in terms of importance of the issue in congregational life, but different in the sense that the precise record of participation and vote is needed on certain issues and not others.

The first category, the most common, is where a recommendation is brought to the congregation by the Church Board. The Church Board will seek the support of the congregation through consensus and will not proceed with actions that the congregation has not affirmed.

The second category of decision making is where the Board determines that a record of the vote is important, both the total number of votes cast (degree of participation of the congregation) and the breakdown of the vote. A common example here is a vote on a change in bylaws. It may be that from time to time on other issues a fully recorded vote is deemed important.

Where the broadest possible participation in a decision seems essential, a meeting to discuss the decision will be announced to the congregation with expectations clearly stated as determined by the Church Board. When ballots are used, all ballots will need to be signed to be considered in recording the vote. Of course, it remains the privilege of the congregation not only to decide on issues before it, but also to decide how it wishes to decide the issue.

A quorum for a duly announced congregational meeting shall be those members present. Should there be a need to make an emergency decision outside of a duly announced congregational meeting, the Church Board shall determine the best way to assess the will of the congregation.

99 **ARTICLE V — CONGREGATIONAL LEADERSHIP**

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101 **Section A — Church Board**

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103 Purpose: Acting on behalf of the congregation the Church Board will provide vision and set policy
104 to guide the life and mission of our fellowship.
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106 Organization: The Church Board shall be comprised of nine persons affirmed by the congregation serving
107 no more than three consecutive three-year terms. However, at the discretion of the Board,
108 under special circumstances, the Board may permit a member to serve more than three
109 terms. Only members of the congregation can serve on the Church Board. The Lead Pastor
110 shall meet regularly with the Church Board in a non-voting capacity. A quorum of the
111 Church Board shall be greater than half the total number of affirmed Board members.
112 Members of the Church Board will have staggered terms to allow for continuity.
113

114 The Church Board will include the Chair, Vice-Chair, Corporate Secretary, and six
115 additional members. The congregation will nominate prospective Board members. The
116 nominees will be evaluated by a discernment process recommended to the congregation by
117 the Church Board. Discerned nominees will be presented by the Church Board to the
118 congregation for affirmation.
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120 Responsibilities:

- 121 a. To lead the congregation in discerning God’s direction for the congregation, and its vision and core
122 values.
123 b. To lead the congregation in establishing specific goals for short- and long-term planning (up to 3-5
124 years at a time) that are consistent with its vision and core values.
125 c. To seek out the congregation’s wisdom on major areas of church life.
126 d. To lead and give counsel to the congregation in matters pertaining to the spiritual, emotional, and
127 relationship health of the congregation.
128 e. To provide personnel, finance, and gifts discernment functions, and to appoint committees as
129 needed for like purposes.
130 f. To honor, nurture, pray for, and respect the Lead Pastor, and to help the Lead Pastor succeed. To
131 solicit input from the congregation on pastors’ performance, to provide performance feedback to
132 the Lead Pastor, to receive counsel, and to be in dialogue.
133 g. To intentionally work at leadership development within the congregation.
134 h. To be accountable to the congregation. To publish meeting minutes. To intentionally be available
135 to receive counsel regularly from members.
136 i. To always perform its duties within the context of the *Salford Congregation Accountability*
137 *Guidelines* (Appendix 2).
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139 **Section B – Officers of the Church Board**

140
141 Purpose: The Chair of the Church Board shall provide leadership for the Church Board and provide
142 supervision of the Lead Pastor. The Vice-Chair will assist the Chair in carrying out the
143 business of the Board. The Corporate Secretary will be a member of the Board. Officers of
144 the Board will serve an agreed upon term. At the first meeting of each year, the Board shall
145 assign the Chair, Vice-Chair, and Corporate Secretary.
146

147 Chair Responsibilities:

- 148 a. President of the Corporation
149 b. Lead meetings of the Church Board and set agenda.
150 c. Moderate all Congregational meetings.

- 151 d. Supervise the Lead Pastor, unless the Church Board appoints a different member to that
152 responsibility.
153 e. Relate to Conference Minister as needed.
154 f. Provide the congregation with periodic reports in consultation with the Church Board and the
155 Pastoral Team.
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157 **Section C — Official Representatives**

158
159 Legal Representation: The Chair of the Church Board and Corporate Secretary shall act as official
160 representatives and signatories of the congregation in legal matters.
161

162 Mosaic Mennonite Conference: Conference Delegates are appointed by the Church Board for no more than
163 two consecutive three-year terms and are the official representatives to the Mosaic Mennonite Conference
164 Assembly. A representative will generally report to the Church Board and congregation after each meeting.
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166 Mennonite Church USA: Delegates will be selected by the Church Board to attend the bi-annual assembly
167 of Mennonite Church USA. A representative will report to the Church Board and congregation after each
168 meeting.
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170 **Section D — Pastoral Team**

171
172 Purpose: Serve as spiritual, visionary, and administrative leaders of the congregation as they
173 implement the vision and policies expressed by the Church Board.
174

175 Organization: The Pastoral Team shall be comprised of the Pastors and other staff members if warranted.
176

177 Members of the Pastoral Team shall be chosen by the Lead Pastor and, when required, with
178 approval of the Mosaic Mennonite Conference, and shall be affirmed by the Church Board.
179 The Lead Pastor shall define the duties and terms of service for the other members of the
180 Pastoral Team and shall evaluate their performance periodically at the Lead Pastor's
181 discretion. The Lead Pastor is responsible to the congregation via the Church Board.
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183 **Section E — Pastoral Visitors Team**

184
185 Purpose: To assist the pastors in providing visitation and care to the congregation.
186

187 Organization: The Pastoral Visitors shall be comprised of members or congregants who are chosen by the
188 Pastoral Team. The Lead Pastor may appoint a Pastor or a Pastoral Visitor to serve as
189 Chair.
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191 The Pastoral Visitors shall serve an agreed upon term.
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193 Responsibilities: Specific responsibilities are referenced in the position guide, developed by the Lead
194 Pastor and/or Church Board
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196 **Section F — Deacon(s)**

197
198 Purpose: Provide spirit-led counsel and leadership to the congregation in the areas of mutual aid and
199 congregational resources.
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201 Organization: The Deacon(s) meet as needed with the Pastors. The Deacon(s) may also serve as delegates
202 to the Mosaic Conference Assembly. Deacons must be members and are nominated and
203 affirmed by the congregation. A Deacon shall serve an agreed upon term.
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205 Responsibilities: Specific responsibilities are referenced in the position guide.
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207 **ARTICLE VI — CONGREGATIONAL MINISTRIES**

210 In order for the Salford congregation to carry out its ministry as fully as possible, specific Ministry Teams
211 shall be created to develop and implement the programs of the congregation. In conversation with the
212 Church Board and/or Pastoral Team, Ministry Teams may be added from time to time to support new
213 ministries of the congregation, and Ministry Teams may be discontinued from time to time as the
214 congregation refocuses its mission and efforts. The size and number of the members of these Ministry
215 Teams may vary.
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217 **ARTICLE VII — TEACHING MINISTRIES**

218 The congregation finds it appropriate that persons who participate in the leadership offices and the teaching
219 ministries of the church should reflect the beliefs and practices of Salford Mennonite Church. Individuals
220 will be invited into teaching leadership by the Pastoral Team.
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224 **ARTICLE VIII — ADMINISTRATIVE MISCELLANEOUS**

225 **Section A – Fiscal year**

226 The fiscal year of the congregation shall be January 1 to December 31 of each year.
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229 **Section B - Corporate seal**

230 The congregation shall have a seal with the name of the congregation, the year of incorporation and the
231 word “Pennsylvania.” The Corporate Secretary of the Church Board shall have custody of the seal.
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234 **Section C - Indemnification**

235 The Church shall indemnify to the full extent of the law, and may indemnify or agree to indemnify to the
236 full extent required by law, any person who was or is a party, or is threatened to be made a part, to any
237 threatened, pending, or contemplated action, suit, or proceeding whether civil, criminal, administrative or
238 investigative, by reason of that person's being or having been a board member, officer, employee, or agent
239 of the Church or of any other enterprise at the request of the Church. Notwithstanding the foregoing, the
240 Church may but shall have no obligation to purchase insurance on behalf of any such person.
241 ng the foregoing, the Church may but shall have no obligation to purchase insurance on behalf of any such
242 person.
243 n to purchase insurance on behalf of any such person.
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246 No person shall be indemnified if he or she has: (1) Breached or failed to perform the duties of his or her
247 position with the Church relating to the standard of care and justifiable reliance; and (2) The breach or
248 failure to perform constitutes self-dealing, willful misconduct or recklessness. However, the provisions of
249 this section shall not apply to: (1) the responsibility or liability of a director pursuant to any criminal
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252 statutes; or (2) the liability of a director for the payment of taxes pursuant to local, state, or federal law.

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255 An indemnified person shall stand in a fiduciary relation to the Church and shall perform his or her duties
256 in good faith and in a manner he or she reasonably believes to be in the best interests of the Church, and
257 with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would
258 use under similar circumstances. In performing his or her duties, an indemnified person shall be entitled to
259 rely in good faith on information, opinions, reports or statements, including financial statements and other
260 financial data, made known to him or her in the regular course, unless he or she knows or has reason to
261 know the information is inaccurate.

262 nancial statements and other financial data, made known to him or her in the regular course, unless he or
263 she knows or has reason to know the information is inaccurate.

264 ancial statements and other financial data, made known to him or her in the regular course, unless he or she
265 knows or has reason to know the information is inaccurate.

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267 **Section D - Distribution upon dissolution**

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270 Upon dissolution of the congregation or discontinuation of its affairs, the assets of the congregation shall be
271 distributed to charitable, religious or educational organizations which would then qualify under the
272 provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, and which are selected by majority vote
273 of the Church Board and in conversation with Conference Board of the Mosaic Mennonite Conference of
274 which the congregation is a member, or the successors of those entities.

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276 **Section E – Conflict of interest**

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278 See Conflict of Interest policy (Appendix 4).

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280 **Section F - Significant changes**

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282 Conveyance or encumbrance of real estate, amendment of the congregation’s Bylaws, or dissolution of the
283 congregation shall occur only if (i) there is an affirmative vote of two-thirds of those members present and
284 voting at a Congregational Meeting and (ii) notice of the nature of the proposed change and meeting was
285 announced in the church bulletin or church service at the two Sunday morning worship services
286 immediately before the vote.

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288 **Section G – Lead Pastor selections**

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290 When the need arises to select a new Lead Pastor, the Board shall appoint a Pastoral Selection Committee
291 composed of members of the congregation that will be tasked with developing criteria for qualifications of
292 a new pastor as well as presenting selected candidates to the Board for consideration. The full Board will
293 review the committee’s recommendations and make a final determination. The Board’s recommendation
294 will be presented to church members at a congregational meeting for their approval.

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297 **ARTICLE IX — BYLAW REVIEW**

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299 At least every five years, the Church Board shall review and, if necessary, revise these Bylaws.

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301 Adopted (Articles of Incorporation): May 6, 1970.

302 Adopted Constitution: December 15, 1965

303 Adopted By-Laws: September 20, 1992

304 Revised 11/28/92
305 This revision was approved at the Congregational Meeting held May 19, 1996.
306 Revised Section C (Recording Secretary): 10/20/96 at Congregational Meeting
307 Revised Sections C and D (Vice Chair of Church Council): 4/26/98 at Congregational Meeting
308 Revisions approved at the November 22, 1998 included:
309 Article V - Congregational Leadership, Sections A & B, Board of Elders: Add provision for Chair Elect
310 Article VI - Commissions, Organization: Provision and procedure to allow a commission member other
311 than commission chair to serve as council representative
312 Article VI - Section A - Commission on Christian Education: Add Development Disabilities
313 Representative to organization section.
314 Article VI - Section B - Commission on Fellowship: Remove Small Group Coordinator from
315 organization section.
316 Article VI - Section F - Commission on Mission: Remove Developmental Disabilities Representative
317 from organization section.
318 Article VI - Section G - Commission on Worship: Reflect combination of Worship and Music
319 Committees; allow flexibility in makeup of commission
320 Article VI - Section I - Commission on Child Care: Clarify process for selection of Commission Chair
321 and Commission makeup
322 Revision approved by congregation at congregational meeting on November 20, 2011: Change Pastoral
323 Care Elders to Pastoral Visitors.
324 Revision approved by congregation at congregational meeting on November 18, 2012: Change Church
325 Board membership from 7 members to 9.
326 Revisions approved by congregation at congregational meeting on December 3, 2017: Remove references
327 to Pastoral Care Elders (lines 78, 87, & 266); clarify chair & vice-chair positions (lines 169, 194, 197, 198,
328 & 202); clarify Deacon's purpose (line 263); update examples of Ministry Teams (lines 277-280); remove
329 Articles of Incorporate reference (line 314).
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APPENDIX 1

Core Values

Welcome

At Salford Mennonite Church, we journey together to follow Jesus in the call to peace, justice, forgiveness, love, reconciliation, and growth. We affirm and celebrate that all people are created in God’s image, are embraced fully by God’s love, and are uniquely gifted by God. And so we welcome all people of any age, racial and ethnic identity, sex, gender identity and expression, sexual orientation, marital status, immigration status, background, ability, or economic status to participate fully in every aspect of congregational life. See the full Welcome Statement at <https://www.salfordmc.org/welcome-statement.html>.

Gifts Discernment

We acknowledge that each member of Christ’s body has been endowed with unique gifts and abilities. We commit to support one another in the discovery of individual gifts, and to equip and empower each other. We expect congregants to share their gifts for ministry and service in and beyond our fellowship.

Learning Community

As a vibrant learning community, comprised of congregants and neighbors of all ages, we eagerly embrace learning about God’s creation through a wide variety of experiences from sermons to service. We honor those among us with a special love for teaching reminiscent of the rabbi Jesus from Galilee.

Pastoral Care

We are a community that practices mutual care. We help individuals and families discover the ways in which God’s Spirit shapes the human spirit in the varied life transitions of joys and sorrows, successes and losses.

Peace/Justice/Reconciliation

Captivated by God’s vision of shalom (peace), we speak the truth in love. True to our Anabaptist-Mennonite tradition we renounce violence and do the hard work of forgiveness and seek understanding in our homes, work, neighborhoods, and the world.

Scripture

Like generations of Christians before us we consistently turn to the scriptures as our foundational story. Here we enter the conversation of who God is and what God is doing. Captivated by the vision of God’s New Kingdom, we lend our hearts, voices, and hands, to this endeavor. We anticipate further surprises on the journey. New songs will yet arise.

Stewardship

As recipients of God’s extravagance, we are joyful stewards of the Gospel, the environment, our time, our talents, our money, our health, and our relationships.

400 **Worship**
401 Repeatedly overwhelmed by God’s holy love we respond in silence and awe, word and music, joy and
402 lament, in regular, renewing worship.

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407 **Prayer**
408 We believe in the power of prayer. God hears our prayers, and answers, at times in powerful ways, and at
409 times in ways that we do not understand. We acknowledge that we do not always listen carefully enough to
410 hear God’s voice.

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412 **Communion**
413 We believe that communion is a transformational practice in the personal and shared lives of all those who
414 worship at Salford Mennonite Church. Like many Anabaptist congregations, Salford’s practice of
415 communion has transformed from the traditional closed table of adult baptized believers to a more open
416 table that includes people regardless of age, baptism, or belief. We welcome anyone to participate in
417 communion who is eager to know transformation through Christ’s grace, Christ’s hospitality, and Christ’s
418 call to covenant community just as we welcome anyone who chooses, in their own journey of discernment,
419 to defer or abstain from the table. See the full Communion Statement at
420 <https://www.salfordmc.org/communion-statement.html>.

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APPENDIX 2

Salford Congregation Accountability Guidelines

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How are we accountable to God and each other as a faith community?

461 Members of the congregation are responsible to be involved in carrying out the church’s vision, living its values,
462 and fulfilling its goals through the church ministries. Members of the congregation are accountable to help the
463 Board and Pastors lead the church by engaging in constructive dialogue, being willing to give and receive counsel,
464 and fostering a spirit of openness, encouragement, and trust.
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What are some examples of the responsibilities of membership?

- 468 ● Regular worship attendance 473 ● Asking questions about issues that are not
- 469 ● Financial and prayer support 474 understood
- 470 ● Participation in one or more of the church’s 475 ● Reading communications, i.e., church
- 471 ministries 476 bulletins, newsletter, ministry and board
- 472 ● Attendance at church meetings 477 minutes, etc.

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How are members accountable to the Church Board and Pastoral Staff?

479 Members of the congregation are expected to take their baptismal and membership vow, to give and receive
480 counsel seriously, and to pray regularly for the Board, the Pastoral staff, and the church’s ministries.
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How are the Lead Pastor and the Church Board mutually accountable to each other?

483 The Lead Pastor is responsible to accomplish the goals that the congregation has established and fulfill the job
484 description. They should hold high and advance the vision and values statement of the congregation and be in
485 dialogue and discernment with the Church Board about the work of the church. Monthly reports in writing are
486 important to help their relationship grow and be productive. The Lead Pastor is accountable to the congregation
487 through the Church Board.
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490 The Church Board must provide clear vision and value statements and goals to the Lead Pastor. The Church Board
491 is responsible to honor, nurture, pray for, and respect the Lead Pastor, and to help the Lead Pastor succeed. The
492 Church Board must be open to the vision, prophetic voice, and counsel of the Lead Pastor, and to the Lead Pastor
493 pushing the congregation beyond its comfort zone. The Church Board is responsible to give the Lead Pastor
494 performance feedback, to give and receive counsel, and be in dialogue. In the event that the Lead Pastor has not
495 fulfilled the duties of the position, the Church Board is responsible to discern measures to be taken, which could
496 include dismissal of the Lead Pastor.
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How is the Board accountable to the Congregation?

499 The Board is directly responsible to the congregation and will communicate regularly with the congregation. The
500 Board will make itself regularly available. When members raise a concern to the Church Board, the Church Board
501 will discern the issue, and if the Church Board agrees that the issue affects the spiritual, emotional, or relational
502 health of the congregation, a response will be made. Examples of responses may include referral to the appropriate
503 ministry team, a congregational forum to allow the entire congregation to give and receive counsel, or Board-
504 facilitated discussions for mutual understanding between those directly involved with the particular issue.
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What are some examples of the Church Board’s accountability to the congregation?

- 507 ● Giving and receiving counsel 511 ● Scheduled congregational meetings as well as
- 508 ● Published minutes of the board meetings 512 special meetings
- 509 ● Announcements in the newsletter/worship 513 ● Regular availability for dialogue and
- 510 service 514 discussion via personal contact, phone, e-mail

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What are issues that the congregation must determine as a body?

- 517 ● Approving a pastoral candidate 518 ● Approving a proposed building project

- 519 • Approval of vision statements, core values,
520 and long-term goals
- 521 • Approval of the annual budget
- 522 • Approval of non-budgeted expenditures of
523 \$25,000 or more

524 APPENDIX 3

525 **Shared Convictions: Mennonite World Conference**

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527 By the grace of God, we seek to live and proclaim the good news of reconciliation in Jesus Christ. As
528 part of the one body of Christ at all times and places, we hold the following to be central to our belief
529 and practice:

- 530 1. God is known to us as Father, Son and Holy Spirit, the Creator who seeks to restore fallen
531 humanity by calling a people to be faithful in fellowship, worship, service and witness.
- 532 2. Jesus is the Son of God. Through his life and teachings, his cross and resurrection, he showed
533 us how to be faithful disciples, redeemed the world, and offers eternal life.
- 534 3. As a church, we are a community of those whom God's Spirit calls to turn from sin,
535 acknowledge Jesus Christ as Lord, receive baptism upon confession of faith, and follow Christ
536 in life.
- 537 4. As a faith community, we accept the Bible as our authority for faith and life, interpreting it
538 together under Holy Spirit guidance, in the light of Jesus Christ to discern God's will for our
539 obedience.
- 540 5. The Spirit of Jesus empowers us to trust God in all areas of life so we become peacemakers
541 who renounce violence, love our enemies, seek justice, and share our possessions with those in
542 need.
- 543 6. We gather regularly to worship, to celebrate the Lord's Supper, and to hear the Word of God in
544 a spirit of mutual accountability.
- 545 7. As a world-wide community of faith and life we transcend boundaries of nationality, race,
546 class, gender and language. We seek to live in the world without conforming to the powers of
547 evil, witnessing to God's grace by serving others, caring for creation, and inviting all people to
548 know Jesus Christ as Saviour and Lord.

549 In these convictions we draw inspiration from Anabaptist forebears of the 16th century, who modelled
550 radical discipleship to Jesus Christ. We seek to walk in his name by the power of the Holy Spirit, as we
551 confidently await Christ's return and the final fulfillment of God's kingdom.

552 Adopted by Mennonite World Conference

553 General Council

554 March 15, 2006

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564 **Conflict of Interest Policy**

565 **Section 1: Purpose**

566 The purpose of this conflict of interest policy is to protect the Church’s interest when it is
567 contemplating entering into a transaction or arrangement that might either benefit the private interest of
568 an officer or trustee of the Church or might result in a possible excess benefit transaction. This policy
569 is intended to supplement but not replace any applicable state or federal laws governing conflicts of
570 interest applicable to nonprofit and charitable organizations.

571 **Section 2: Definitions**

572 (A) Interested Person: Any trustee or officer who has a direct or indirect financial interest.

573 (B) Financial interest: A person has a financial interest if the person has, directly or indirectly,
574 through business, investment, or family:

575 1. An ownership or investment interest in any entity with which the Church has a
576 transaction or arrangement,

577 2. A compensation arrangement with the Church or with any entity or individual with
578 which Church has a transaction or arrangement, or

579 3. A potential ownership or investment interest in, or compensation arrangement with, any
580 entity or individual with which Church is negotiating a transaction or arrangement.

581 4. A financial interest is not necessarily a conflict of interest. A person who has a
582 financial interest may have a conflict of interest only if the board decides that a conflict of
583 interest exists.

584 (C) Compensation: Compensation includes direct and indirect remuneration as well as gifts or
585 favors that are not insubstantial.

586 **Section 3: Procedures**

587 (A) In connection with any actual or possible conflict of interest, an interested person must disclose
588 the existence of the financial interest and be given the opportunity to disclose all material facts to the
589 trustees considering the proposed transaction or arrangement.

590 (B) After disclosure of the financial interest and all material facts, and after any discussion with the
591 interested person, they shall leave the Board meeting while the determination of a conflict of interest is
592 discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

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594 (C) An interested person may make a presentation at the Board meeting, but after the presentation,
595 they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement
596 involving the possible conflict of interest.

597 (1) The chairman of the Board shall, if appropriate, appoint a disinterested person or
598 committee to investigate alternatives to the proposed transaction or arrangement.

599 (2) After exercising due diligence, the Board or committee shall determine whether Church
600 can obtain with reasonable efforts a more advantageous transaction or arrangement from a
601 person or entity that would not give rise to a conflict of interest.

602 (3) If a more advantageous transaction or arrangement is not reasonably possible under
603 circumstances not producing a conflict of interest, the Board shall determine by a majority vote
604 of the disinterested trustees whether the transaction or arrangement is in the best interests of
605 Church, for its own benefit, and whether it is fair and reasonable. In conformity with the above
606 determination it shall make its decision as to whether to enter into the transaction or
607 arrangement.

608 (D) If the Board has reasonable cause to believe a member has failed to disclose actual or possible
609 conflicts of interest, it shall inform the member of the basis for such belief and afford the member an
610 opportunity to explain the alleged failure to disclose.

611 (E) If, after hearing the member's response and after making further investigation as warranted by
612 the circumstances, the Board determines the member has failed to disclose an actual or possible conflict
613 of interest, it shall take appropriate disciplinary and corrective action.

614 **Section 4: Records of Proceedings**

615 The minutes of the Board shall contain the names of the persons who disclosed or otherwise were
616 found to have a financial interest in connection with an actual or possible conflict of interest, the nature
617 of the financial interest, any action taken to determine whether a conflict of interest was present, and
618 the Board's decision as to whether a conflict of interest in fact existed.

619 The minutes of the Board also shall contain the names of the persons who were present for discussions
620 and votes relating to the transaction or arrangement, the content of the discussion, including any
621 alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection
622 with the proceedings.

623 **Section 5: Compensation**

624 A voting member of the Board who receives compensation, directly or indirectly, from the church for
625 services rendered may not vote on matters pertaining to that member's compensation.

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