

## BYLAWS

### FIRST UNITARIAN CHURCH OF SAN JOSE, CALIFORNIA

March 8, 2009

(Edited by Bob Miess to incorporate changes approved by congregation on March 8, 2009, using Bylaws as amended on October 28, 2007.)

#### AN AFFIRMATION

Love is the doctrine of this Church  
The quest for truth is its sacrament,  
And service is its prayer.  
To dwell together in peace,  
To seek the truth in freedom,  
To serve humankind in fellowship  
To the end that all souls may grow  
Into harmony with the divine:  
This do we covenant with one another.

#### ARTICLE I: NAME

The name of this religious corporation shall be: FIRST UNITARIAN CHURCH OF SAN JOSE (Unitarian-Universalist)

#### ARTICLE II: AFFILIATION AND PROPERTY

Sec. 1: Affiliation - This Church is a member of the Unitarian-Universalist Association and regional and local bodies promoting the Unitarian-Universalist movement.

Sec. 2: Property - In the event of the dissolution of this Church, all properties of the Church shall revert to the Unitarian-Universalist Association.

#### ARTICLE III: MEMBERSHIP

Sec. 1: Requirements - Any person fourteen (14) years of age or over demonstrating a willingness to participate in the activities of the congregation, may become a member of this church after consultation with a Minister, of if no Minister is available, the President of the Board of Directors and after completion of these requirements, signing the membership book. (Signing the book is usually part of the membership ceremony.)

Sec. 2: Effective Date - Membership is effective two weeks after the date the membership book is signed.

Sec. 3: Duties: - Duties of membership shall consist of voluntary participation in and financial support of church activities.

Sec. 4: Voting - Each member shall be entitled to one vote at all congregational meetings

Sec. 5: Termination - Termination of membership may be requested at any time by a member by addressing a request to the church. A member may be involuntarily terminated from membership according to the guidelines set forth in the Termination of Membership section of the Board Policy.

Sec. 6: Congregation - The membership of this church is called the "congregation".

Sec. 7: Qualifications - To maintain membership status a person must meet one of the following criteria:

a: has made a financial pledge and a contribution of record for the current year.

b: has requested to continue as a member. The request must be made annually, in writing.

c: has been designated a "life member" by the Congregation for outstanding service to the Church.

d: A member who no longer meets one of the stated criteria shall be considered an inactive member and shall not be entitled to vote or to hold office. Such a member shall be notified of the change of status.

Sec. 8: Membership List - The Board of Directors shall ensure that the membership list is updated at least annually.

Sec. 9: Inclusion - The First Unitarian Church of San Jose affirms and promotes the participation of every person in all aspects of church life without regard to race, color, creed, age, sex, gender identity or expression, affectional or sexual orientation, physical or mental challenge, cultural or national origin, political affiliation, or economic status. No one should be excluded from membership, leadership, programming, hiring practices, religious education, or the calling of religious professionals or volunteers on the basis of these characteristics.

#### **ARTICLE IV: MEETINGS OF THE CONGREGATION**

Sec. 1: Annual Meeting - An annual meeting shall be held in May at a time and place fixed by the Board of Directors. At this meeting the annual budget shall be presented and voted upon, reports of the Board of Directors shall be considered

and any other matters relating to church affairs may be acted upon. Such matters may be included in the notice or may be introduced from the floor at the meeting.

Sec. 2: Congregational Meeting - One other congregational meeting shall be held in the month of March each year at a time and place fixed by the Board of Directors. All business to be transacted at this meeting shall be specified in the notice of the meeting. The Nominating Committee shall be elected at the March congregational meeting. Nominations for Officers and Directors shall be received from the nominating committee in January and the congregation shall be given notice of the selections in a manner consistent with that specified with Section 4 below. The election of members of the Board of Directors including church Officers shall be conducted at the March congregational meeting. Matters may be introduced from the floor of this meeting.

Sec. 3: Special Congregational Meeting - Special congregational meetings shall be called by the President as he/she decides to do so, and a special meeting shall be called at the request of the Board of Directors or upon the written request of ten (10) members of the church. All business to be transacted at such meetings shall be specified in the notice of the meeting.

Sec. 4: Notice of the Meetings - Notice of all congregational meetings shall be mailed to the members and shall be posted in the church at least eight (8) days, including two (2) Sundays, before the day of the meeting.

Sec. 5: Quorum - Fifteen percent of the total active membership shall constitute a quorum at a congregational meeting. The number of members which represents fifteen percent of the church membership shall be determined from the membership list prepared annually for the Unitarian-Universalist Association and the Pacific Central District. At a meeting where there is a quorum, the members present may continue to do business until adjournment, even though a withdrawal of members leaves less than a quorum.

Sec. 6: Rules - The current edition of Robert's Rules of Order Newly Revised shall govern proceedings at congregational meetings, except as otherwise specified herein.

Sec. 7: Voting - Voting at congregational meetings may be by voice, show of hands, or ballot, except that the election of members of the Board of Directors and of church Officers must be by ballot at any election. No proxy voting shall be allowed. Absentee ballots may be allowed in elections of Directors and Officers only. Procedures for absentee balloting shall be set forth in the Board Policy, which shall include a provision for write-in candidates.

Sec. 8: Parliamentarian - The President shall select a member or friend of the church to serve as Parliamentarian for each congregational meeting to interpret

the rules. The Parliamentarian shall not vote on any matter, or discuss any matter on the floor. The Parliamentarian should be familiar with the church bylaws and with Roberts Rules, and should advise the meeting and the President of the correct procedures to follow if the need arises.

Sec. 9: Open Meetings - All meetings of the church including those of the Board, the Program and Operations Council, and the church committees are open unless otherwise specified in these bylaws or in the Board Policy.

Sec. 10: Abrogation of Decisions - Decisions made by a vote of the congregation may not be abrogated by the Board of Directors unless the authority to do so is contained in the wording of the motion. The congregation may review and vote again on any such issue.

## **ARTICLE V: CHURCH BOARD OF DIRECTORS**

Sec. 1: The Name - The name "Board of Directors" is synonymous with the name "Board of Trustees" or the name "Church Council" as used in the November 8, 1889 Article of Incorporation and as amended February 29, 1952.

Sec. 2: Duties, Authority and Limitations - The Board of Directors shall be the governance body of the church and shall, without prejudice to the general powers of governance, have the following express powers:

a: to fix the time and place for meetings and to call special congregational meetings.

b: to have general charge of the property of the church. The board shall not sell the church building or property and shall not make major alterations to the building without approval of the congregation. No item or items of property having a total value in excess of one percent of the current year's budget may be disposed of in any way without the approval of an affirmative vote of three-fourths of the members present at a congregational meeting.

c: to control the affairs and business of the church and to make such rules and regulations therefor not inconsistent with these bylaws as deemed in the best interest of the church. Such rules shall be called Board Policy. They shall be continuously reviewed by the Board and shall be posted in the church, and available to church members on request.

d: to review the preliminary annual budget and make necessary changes for recommendation to the congregation.

e: to fill any vacancy on the Board of Directors or Officers from a list of candidates submitted by the Nominating Committee. Such vacancies shall be filled only until the next election.

f: to be responsible for creation and maintenance of standing committees, ad hoc committees, and auxiliary groups as the Board of Directors may deem necessary.

g: to borrow money and incur indebtedness not to exceed ten percent of the annual budget for the purposes of the church, and to cause to be executed and delivered therefor, in the corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidence of debt and securities therefor. Upon approval of three-fourths of the members present at a congregational meeting this amount may be exceeded.

h: to not exceed the approved annual budget during any fiscal year by two percent for any expense item or purpose without congregation approval. (There shall be no limitation on the amount of revisions of the budget for income items). The total amount of all such expense items shall not exceed ten percent of the total budget. A three-fourths vote of the members present at a congregational meeting shall be necessary to exceed the above amounts.

i: to appoint an Auditor or an Audit Committee to review the books of account, financial statements, and tax returns of the church within three months of the close of the fiscal year. A summary should be published and copies of the complete report should be made available to interested parties.

j: to delegate the authority of the Board of Directors to the Officers of the Board when deemed prudent by the members of the Board.

k: to propose amendments to these bylaws. The Board shall review these bylaws regularly.

Sec. 3: Additional Duties and Guidelines - The Officers and Directors shall be familiar with, and follow the Board Policy as they affect or add to the duties specified in these bylaws.

Sec. 4: Quorum - A simple majority of the members shall constitute a quorum. In determining the majority both the Directors and the Officers of the Board shall be counted.

Sec. 5: Meetings - The Board of Directors shall meet at regular intervals, as it shall itself determine, holding a minimum of ten meetings during the fiscal year. Minutes shall be posted and a summary published within three weeks after a meeting.

Sec. 6: Recall - Any member or members of the Board of Directors may be recalled by the congregation. Such action shall be at a congregational meeting called for that purpose. A two-thirds vote of no confidence by written ballot shall be required for recall. A Parliamentarian, acceptable to the majority of members present shall preside at the meeting.

Sec. 7: Removal of Officers - The Board of Directors may remove from office any church Officer for cause by a vote of two-thirds of the Board members present, provided that said Officer shall have received written notice of the proposed action, and further provided that members of the Board reconvene as an official body in accordance with these bylaws.

Sec. 8: Executive Session - The Board may need to deal with personnel, performance, membership and payroll issues of a sensitive nature. Such issues must be handled confidentially and with discretion. It shall be the President's responsibility to list Executive Session on the agenda, and set aside time, preferably after all public matters are concluded, to deal with these issues. Participation shall be board members and officers only. No formal minutes of these deliberations shall be kept. If the President is unavailable, his or her successor shall be responsible for leading that part of the board meeting.

## **ARTICLE VI: OFFICERS AND DIRECTORS**

Sec. 1: Officers - The Officers of the church on the Board of Directors shall include the President, the Secretary, and the Treasurer. The Officers of the church on the Program and Operations Council shall include the Program Officer, the Personnel Officer, and the Financial Officer.

Sec. 2 : Directors - There shall be four (4) directors to serve on the Board of Directors.

Sec. 3 : Terms of Office – The newly elected officers and directors shall take office on the first day of April and shall hold office until March 31<sup>st</sup> of the year their terms are completed. Installation of Officers shall take place during April. Each Officer and member of the Board of Directors shall be elected for terms in accordance with the following:

- a: All Officers shall serve for a two-year term.
- b: The two year terms shall be staggered as follows: the terms of the President, Personnel Officer, and the Treasurer shall expire in even numbered

years and the terms of the Program Officer, Financial Officer, and Secretary shall expire in odd numbered years.

c. The Directors shall serve terms of two years.

d. The terms of the Directors shall be staggered so that two Directors are elected in one year and two in the next year.

Sec. 4: Limit of Term - No Officer may be elected to the same office for more than three consecutive terms. No Director may be elected as a Director for more than three consecutive terms. No member of the Board of Directors may serve on the Board for more than eight consecutive years.

Sec. 5: Signatories - All official documents executed in the name of the church shall be signed by the President, the Program Officer, the Personnel Officer, or the Financial Officer, or by an Officer designated by the President. This includes but is not limited to reports, contracts, insurance policies, and tax returns.

Sec. 6: President - The President shall:

a: preside at all congregational and Board of Directors' meetings.

b: be an ex-officio member all committees except the nominating committee and the Committee on Ministry.

c: be generally responsible for the function of all other members of the Board of Directors.

d: consult with prospective new members in the absence of a settled minister or if none of the Ministers are available.

e: call special congregational meetings as specified in the bylaws.

f: designate a more recent edition of Roberts Rules of Order, if appropriate.

g: select a Parliamentarian for meetings except as specified in Article V, Section 6.

h: notify the Nominating Committee when vacancies occur in the board of directors.

i: inform the candidate Minister of the outcome of the congregational vote.

Sec. 7: Secretary - The Secretary shall:

a: assume the duties of the President in the absence of the President.

b: assist the President and Treasurer when called upon.

c: give proper notice, and record the minutes of all congregational meetings and Board of Directors meetings, post the minutes and publish a summary within three weeks of a meeting pursuant to Article V, Sec. 5.

d: maintain an accurate membership list with addresses and telephone numbers.

e: assume responsibility for church history which includes but is not limited to the collection and maintenance of records and artifacts significant to the history of this religious organization.

Sec 8 Treasurer - the Treasurer shall:

a: assume the duties of the President in the absence of the President and the Secretary.

b: assist the President and Secretary when called upon.

c: work in coordination with the Financial Officer to assure that all aspects of church finances are covered.

c: be responsible for supporting the Board's review of the budget, and for long-range financial planning, the obtaining of loans and outside funding.

d: be an ex-officio member of the Finance Committee.

Sec. 9: Program Officer - The Program Officer shall:

a: serve as a member of and chair the meetings of the Program and Operations council.

b: be responsible for programs.

Sec. 10: Personnel Officer - The Personnel Officer shall:

a: assume the duties of the Program Officer in his or her absence.

b: assist the Program Officer and Financial Officer as called upon.

c: assume responsibility for personnel matters.

d: serve as a member of the Program and Operations Council and serve as a member of the Personnel Committee.

Sec 11: Financial Officer – The Financial Officer shall:

a: assume the duties of the Program Officer in the absence of the Program Officer and the Personnel Officer.

b: assist the Program Officer and the Personnel Officer when called upon.

c: be responsible for the recording and auditing of all books of account of the church under Board Policy established by the Board of Directors and for the retention and preservation of all vital documents affecting financial affairs, and prepare and file all necessary tax returns.

d. be responsible for the preparation of a draft budget for review by the Board of Directors.

e: be a member of the Finance Committee and serve as its chair.

f. serve as a member of the Program and Operations Council.

g: prepare monthly finance reports for the Board of Directors to review.

h: work in coordination with the Treasurer to assure that all aspects of church finances are covered.

Sec. 12: Directors - Directors shall:

a: assist the President when called upon.

b: assume responsibility for selected tasks.

**ARTICLE VII: NOMINATING COMMITTEE**

Sec. 1: Selection - There shall be five members of the Nominating Committee, each elected for a term of two years. The terms shall be staggered so that three members are elected in odd years and two other members are elected in even years. Following the selection of the Nominating Committee, the Committee shall elect the chair of the Committee who shall serve for a one-year term.

Sec. 2: Duties - The Committee shall endeavor to work year round to obtain the best qualified candidates for any open Officer, Director, or Program and

Operations Council positions that will occur at the next election or for any potential vacancies that may occur before then.

## **ARTICLE VIII: PROGRAM AND OPERATIONS COUNCIL**

Sec. 1: Membership and Meetings – The Program Officer, Personnel Officer, and Financial Officer, and the Ministers shall serve as members of the Program and Operations Council. The Board of Directors may also appoint additional members of the Program and Operations Council for two year terms. The council shall meet at least nine times per year, and more often as necessary. The meeting shall be chaired by the Program Officer of the church.

Sec. 2 Duties: The Program and Operations Council shall be the administrative body of the church. The actions of the Program and Operations Council shall be consistent with the written policies contained in the Board Policy. Without prejudice to its general administrative powers as established in the Board Policy, the Program and Operations Council shall be empowered to do the following:

- a. to investigate, report on and/or conduct such business and affairs of the church as the board of directors or congregation may direct or authorize.
- b. to employ and discharge, with the Minister's approval, staff personnel.
- c. to create and maintain standing committees, ad hoc committees, and auxiliary groups.

Sec. 3 Quorum: A simple majority of the membership of the Program and Operations Council shall constitute a quorum.

Sec. 4: Term Limits: No person may serve as a member of the Program and Operations Council for more than 8 years, with the exception that the Ministers will serve for the duration of their call to the ministry of this congregation.

## **ARTICLE IX: FISCAL YEAR**

Sec. 1: The church fiscal year shall begin June 1 and end May 31 of the following calendar year.

## **ARTICLE X: SEARCH COMMITTEES AND COMMITTEE ON MINISTRY**

Sec. 1: Search Committees.

a. When needed, the congregation shall elect seven members to the Search Committee, from a slate of nominees nominated by the Board of Directors or by a petition signed by at least four church members. The

Committee shall designate the chair, and the Committee shall serve until its duty is fulfilled.

b: Duty - The Search Committee shall screen candidates for ministerial positions or director of religious education (DRE) of this church in order to make specific recommendations to the congregation for vote.

c: Procedure - The Search Committee shall follow the procedure suggested by the Unitarian-Universalist Association and the Board Policy.

d: Congregation Vote and Contract – An affirmative vote of three-fourths of the members attending a congregational meeting shall be required to call any minister of DRE and establish compensation and other terms. The president shall then inform the candidate of the vote in full particulars and state the compensation and terms offered. The written acceptance of the compensation and terms shall constitute the contract between the candidate and the church.

Sec. 2: The Committee on Ministry shall follow the procedures suggested by, the Unitarian-Universalist Association and the Board Policy.

Sec. 3: Copies of current Unitarian-Universalist recommendations for these Committees shall be attached as an appendix to these bylaws.

## **ARTICLE XI: MINISTERS AND DIRECTOR OF RELIGIOUS EDUCATION (DRE)**

### Sec. 1: Ministers.

a: Duties - The duties and functions of the Ministers shall be those generally associated with the traditions of the Unitarian-Universalist ministry. This church recognizes the tradition of a free pulpit. All Ministers shall be ex-officio members of the Board of Directors and all committees except no minister shall be on the Search Committee for his or her replacement.

b: Sabbatical - A sabbatical leave policy shall be included in the contract of each Minister per the UUMA Guidelines.

c: Compensation Review - The Board of Directors shall annually review and recommend the compensation each Minister shall receive. The Board of Directors' recommendation shall be made at the annual meeting.

d: Removal - Any Minister may be removed by three-fourths vote of the congregation at a special congregational meeting called for that purpose only.

e: Severance - Three months' notice in writing is necessary to sever the relationship by either a Minister or the congregation, unless otherwise agreed to in writing by both parties.

## Sec.2: Director of Religious Education (DRE)

a: Duties - The Director of Religious Education coordinates the education program of the church, with particular responsibilities for the development and implementation of the religious education program in the church school. He/she has a close relationship with the Minister(s), and specifically with the Religious Education Committee, which is responsible for the religious education program of the church. The DRE is an ex-officio member of the board of directors.

b: Compensation Review - The Board of Directors shall annually review and recommend the compensation the DRE shall receive. The Board of Directors' recommendation shall be made at the congregational meeting at which the annual budget is adopted.

c: Removal - The DRE may be removed by a three-fourths vote of the congregation at a special congregational meeting called for that purpose only.

d: Severance - Three months' notice in writing is necessary to sever the relationship by either the DRE or the congregation, unless otherwise agreed to in writing by both parties.

## **ARTICLE XII: STAFF**

Sec.1: Definitions - Any employed personnel other than a Minister or DRE are staff personnel. Staff personnel who are employed by the church for more than six months are permanent staff personnel.

Sec. 2: Hiring and Discharge - Staff personnel shall be hired or discharged without regard to race, creed, or sex. They are on probation until they have been employed for more than six months. They are subject to immediate discharge for the first thirty days. They shall be given two weeks' notice of discharge after thirty days of employment. Other policies with regard to the staff personnel shall be included in the Board Policy.

## **ARTICLE XIII CHURCH REPRESENTATION**

Sec. 1: Representation - No member, Minister, DRE or any guest speaker is authorized to represent the congregation on matters of public policy or concern unless an affirmative vote of three-fourths of the members present at a congregational meeting shall have approved a motion specifically authorizing such representation.

## **ARTICLE XIV: BOARD POLICY**

Sec. 1: Board Policy - The Board Policy contains the policies of the Board, established on behalf of the congregation for the governance of the congregation, and all of its organizations. They are continuously reviewed by the Board as specified in Article V, Section 2c of the bylaws. Copies of the current complete Board Policy shall be available to members on request. The Board Policy is addressed to the Program and Operations Council, which is responsible for carrying out the Board Policy. The Board Policy includes:

- a. Ends: The desired achievements of the Program and Operations Council.
- b. Means Limitations: The actions that must not be allowed in the achievement of the Ends.
- c. Board - Program and Operations Council Linkage: The way in which the Board and the Program and Operations Council will work with one another.
- d. Board Job: Commitments of the Board of Directors regarding its work.

Sec. 2: Amendments - This Board Policy may be amended by a majority vote of a Board of Directors meeting, except as specified in Article IV, Section 10. Changes and additions shall be posted, and summaries published as soon as possible. In addition, they should be discussed at the next congregational meeting. A member of the Board of Directors, or a group of members (Article IV, Section 3) may call for a special congregational meeting to consider these changes or other portions of the existing Board Policy. A two-thirds vote of the members present at this meeting shall be required for repeal. Copies of the current Board Policy shall be attached to these bylaws.

## **ARTICLE XV: ENDOWMENTS**

### Sec. 1. Establishment of Fund

The First Unitarian Church of San José hereby establishes an Endowment Fund to help assure the long range financial future of the church, to fund capital needs, and to fund special projects that further the mission of the church in the community and the world at large.

### Sec. 2. Planned Giving Committee

The Endowment Fund shall be governed by a Planned Giving Committee, which shall direct the implementation of the policies described here. The Committee shall consist of five members of the congregation, appointed by the church Board of Directors. Except in the initial selection, when shortened terms will enable a staggered rotation of members, the term of each Committee member will be three years. No member may serve more than two consecutive 3-year terms. After a lapse of one year, former Committee members can be re-appointed. No member may serve on the Planned Giving Committee while also serving on the church Board as an elected officer of the congregation.

### Sec. 3. Committee Process and Purview

A vote of at least four out of five of the members of the Planned Giving Committee is needed to carry any motion or resolution. The Committee shall elect its own chairperson. The Committee shall report to the church Board on a quarterly basis and provide a written report to the congregation at the annual meeting. The Planned Giving Committee is empowered to manage and control the assets of the Endowment pursuant to the Endowment Investment and Distribution Policy, and is not required to obtain Board approval for actions consistent with the established Policy. The Planned Giving Committee is directed to respect, as much as possible, the restrictions placed on any gift to the Endowment.

#### Sec. 4. Investments

In order to ensure long-term stability of the fund, prudent investment policies shall be followed, as proposed by the Board and approved by the Congregation. The Planned Giving Committee shall also endeavor to invest the assets of the Endowment in a socially responsible manner.

#### Sec. 5. Reporting

The Committee shall report activities and fund balances to the Board quarterly, or at any time upon request of the Board, and provide an annual report to the church Congregation on the status of all funds and subfunds, including rates of return on investments.

#### Sec. 6. Liability and Conflict of Interest

Committee members shall not be liable for any losses incurred by the Endowment except to the extent that such losses arise out of acts or omissions of willful misconduct or gross negligence. Each member shall be liable for his/her own acts and omissions of willful misconduct or gross negligence and not for the acts or omissions of other members. No member of the Committee shall engage in any self-dealing or transactions with the Endowment in which the member has direct or indirect financial interest. Members shall refrain at all times from conduct in which his/her personal interests would conflict with the interest of the Endowment, and shall declare all perceived conflicts of interests to the Committee.

#### Sec. 7. Professional Advice

The Committee may obtain professional counsel on investments or legal matters, and it may incur reasonable expenses in the execution of its duties. The expenses shall be paid from the Endowment and shall be counted as a distribution under Section 9 below.

#### Sec. 8. Description of Funds

The Endowment shall be composed of two funds, an Unrestricted Reserve Fund and a Building Reserve Fund, which may be co-mingled for ease of investment management. The Committee shall separately account for each of these funds, attributing to each its proportionate share of changes in investment values, as well as recording gifts to and distributions from each of the funds. Gifts and

bequests to the Endowment may be designated for either of the funds and the church may make allocations to either fund, as budgets allow.

a. The Unrestricted Reserve Fund may be used for any purpose to further the mission of the church, in the community and in the world at large, but shall not be used for the ordinary and customary operating expenses of the Church, except as provided below.

b. The Building Reserve Fund shall only be used to help pay for major capital expenditures and significant improvement projects related to the church's buildings and real property, including grounds and landscaping, over and above regular maintenance. Disbursements for capital projects may be in the form of direct payments for expenses or payments on loans obtained to fund capital projects.

#### Sec. 9. Disbursement Limitations

Disbursements from the endowment fund shall be made in such a manner as to allow the Endowment to grow, in accordance with policies set by the church Board.

In order to begin the long-term process of accumulating an Endowment Fund of significant size, except for reasonable expenses in the execution of the duties of the Planned Giving Committee specified in Section 7 above, no disbursements from the Fund shall be authorized for the first five years or one million dollars, whichever comes first, unless authorized by a three-fourths vote of the congregation, as a response to a church emergency need.

#### Sec. 10. Disbursement of Funds for Programs or Operations

Distributions from the Unrestricted Reserve Fund shall be authorized by the Congregation in the same manner as the annual church budget, subject to the limitations authorized by the Board to ensure long-term growth of the fund. No distributions shall be made for the ordinary and customary operating expenses of the church except with the approval by a three-fourths majority vote of the members at a congregational meeting at which a quorum is present.

#### Sec. 11. Disbursement of Funds for Capital Projects

Distributions from the Building Reserve Fund shall be authorized by the Congregation subject to specific needs and project plans, subject to the same limitations as above with respect to long-term growth of the fund. However, since this fund is established for large capital projects, it is expected that the annual disbursement allowances will usually be combined over several years. Any exceptions to these rules will require a three-fourths vote of the members present at a congregational meeting at which a quorum is present.

#### Sec. 12. Loans to Other Funds

Upon the request of the Treasurer, the Planned Giving Committee may loan money from the Unrestricted Reserve Fund to the church to help manage temporary cash flow needs caused by month to month variations in the collection of pledges and other gifts on such terms and at such rates of interest as the Committee deems appropriate and consistent with its fiduciary responsibility for management of the Endowment. The sum of any such outstanding loans is subject to the limitation of 10% of the annual operating budget, unless authorized by a three-fourths majority vote of the members at a congregational meeting at which a quorum is present. In case of emergency, the Unrestricted Reserve Fund may also be used to pay for capital projects involving major repairs to the church building.

## **ARTICLE XVI: AMENDMENT AND REPEAL**

Sec. 1: Bylaws - These bylaws, as far as allowed by law, may be amended or repealed by a two-thirds vote of the members attending a congregational meeting. Notice of any proposed changes shall be posted and published at least three months prior to such meeting.

Sec. 2: Repeal - All bylaws and amendments heretofore adopted by this church are hereby repealed.