

# BY-LAWS

## Preamble

These by-laws were adopted by the Congregation of the Evangelical Lutheran Church Zion in Middletown, Maryland at a duly convened congregational meeting held on (xxxx xx, 2020). These by-laws complement and provide additional governmental guidance as outlined in the Church Constitution which was also adopted on (insert date). If there is any conflict between the Church Constitution and the By-Laws, the Constitutional provisions shall control.

## ARTICLE I THE PASTOR

SECTION 1-- The Congregation Council shall, after consulting with the Bishop of the Delaware-Maryland Synod, cause an ad hoc committee to be formed for the purpose of selecting a pastor to be presented to the Congregation for the issuance of a call. The ad hoc Call Committee shall exist until either a Pastor is duly called by the Congregation or is dissolved by the Congregation Council.

SECTION 2--The Pastor shall keep accurate records of all ministerial acts in the "Parish Register" provided by the congregation for that purpose, which records shall be and remain the property of the congregation. The Pastor shall attend all meetings of the Congregation, executive committee and the Council. The Pastor shall make an annual report of these records to the congregation and to the Synod and shall also be the custodian of the official seal.

SECTION 3--It is the Pastor's sacred duty to conduct himself or herself that his or her life shall be to his or her congregation an example of true Christian character; and should the Pastor of this Church at any time be guilty of conduct unbecoming the office, it shall be the duty of the Congregation Council to encourage him or her to reform and if this should prove ineffective or if the case be such as to bring disgrace upon the Church then the Congregational Council may bring the matter to the attention of the Bishop of the Synod.

SECTION 4--If the Pastor desires to resign, his or her resignation shall be presented first to the Congregation Council which shall, in turn, present it to the congregation with proper recommendations.

## ARTICLE II CONGREGATION COUNCIL OFFICERS

SECTION 1--At the meeting following the Annual Congregation meeting the Congregation Council shall elect for a term of one year a President, Vice President and Secretary and select a Treasurer and Financial Secretary. The President, Vice President and Secretary shall be members of the Congregation Council. The Financial Secretary and the Treasurer shall be accorded the privilege of voice without vote in the meetings of the Congregation Council.

SECTION 2--The Pastor is a member of the Executive Committee along with the President, Vice President and Secretary.

SECTION 3—The President shall preside at all meetings of the Congregation, executive committee and the council, represent the congregation in matters of business, write the annual report of all council activities for the annual meeting, and uphold the constitution and by-laws and ensure policies are being followed. The President's primary duties also include, as the lay leader of the Congregation and Council,

addressing and resolving issues as they arise both to prevent problems and minimize and resolve problems as they may arise. In doing so, the President shall advise and support council members in working together to address such issues. The President will make decisions for referring matters to other appropriate parties, including but not limited to Synod, in instances where council or the congregation have engaged in extensive deliberations without reaching a solution and additional expertise is required.

SECTION 4—The Vice President shall actively aid the President in administration of office, participate as a member of the Finance Committee, serve as the liaison to the Property Committee, and actively assist the committees with establishing and managing their goals. The Vice President will work with staff members to periodically assist in communicating council activities and accomplishments.

SECTION 5 --The Secretary shall keep accurate minutes of all meetings of the congregation and the Congregation Council in a volume (including digital copy) provided by the congregation which shall be preserved permanently in the archives of the congregation. The Secretary will work with the Treasurer and the Pastor to ensure timely filing of the congregation's annual report., sign the letter of call for rostered staff at the time of a call meeting, and carry out correspondence on behalf of the council and the congregation as directed.

SECTION 6--The Financial Secretary shall oversee and participate in counting the offerings, oversee and participate in creating and depositing receipts, ensure that two non-related persons are always present for all counting procedures, and provide periodic and annual statements to the contributors for tax reporting Records for all monies received will be submitted to the Treasurer.

SECTION 7--The Treasurer shall serve as financial officer of the congregation, provide oversight of the financial secretary duties and responsibilities, perform or oversee all bookkeeping functions and assist in the preparation of the annual budget. The Treasurer shall make a report of the financial condition of the Church showing receipts and disbursements, assets and liabilities, which shall be audited by the Audit Committee. Monthly financial reports will be submitted to the Congregation Council. Records used in all transactions remain the property of the congregation. The fiscal year of this congregation shall begin the first day of January and end the last day of December. A report of the actual budget and financial accounting for the fiscal year shall be provided to the Congregation at its annual meeting in the following year.

## ARTICLE III CONGREGATION COUNCIL ELECTIONS

SECTION 1--A Nominating Committee for new Congregation Council members shall be appointed annually by the Congregation Council. The committee shall consist of at least 4 but not more than 6 members from the congregation at large. The Chairperson will be appointed by the Executive Committee and approved by the Congregation Council.

SECTION 2--The Nominating Committee will submit the names of at least 4 consenting candidates for vote at the annual meeting. The committee's list of candidates will be submitted to the Congregation Council at their December meeting. These names, if approved, will be published in the following Sunday's bulletin. Additional nominations from the congregation may be submitted to the Secretary of the Congregation Council in writing and will be accepted until midnight, December 31. Written consent must be obtained from additional candidates by the person making the nomination. In addition, nominations may be made from the floor during the Congregation meeting.

SECTION 3--The four persons having the highest number of votes shall be declared elected. Should any two or more persons have an equal number of votes, the decision shall be made by immediate further

balloting.

SECTION 4--If a council member resigns, leaves the congregation, or is deceased, the Congregation Council members will submit replacement names and by written vote determine the replacement and agree to the term of service.

## ARTICLE IV CONGREGATION MEETINGS

SECTION 1--The Annual Congregation Meeting shall be held the fourth Sunday in January or the first Sunday in February at a time specified by the Congregation Council. If inclement weather, the meeting will be rescheduled for the following Sunday.

SECTION 2--The Congregation Council shall plan for the Annual Congregation Meeting and determine the order of business to be submitted for adoption.

SECTION 3--At the Annual Congregation Meeting, the Pastor, the Financial Secretary, and the Treasurer of the Congregation shall each submit a written report. The Congregation Council, each organization within the Congregation, and the Cemetery Board of Managers shall also submit a written report.

## ARTICLE V STANDING COMMITTEES

SECTION 1—There shall be six standing committees: the Executive Committee, an Audit Committee, a Finance Committee, a Personnel Committee, a Property Committee, and a Mutual Ministry Committee. When a vacancy occurs in a position for which this congregation calls a rostered minister, the Congregational Council shall appoint a Call Committee. Other committees of this congregation may be formed, as the need arises, by resolution by the Congregation Council.

SECTION 2—At the first meeting each year, the Congregation Council shall confirm that a Council representative will work with the standing committees to assist in setting new goals. Rosters will be updated from each of the standing committees by the Council representative and submitted to the President.

SECTION 3—The goals of all standing committees shall be subject for review by the Congregation Council annually to assure the goals are in alignment with the Congregation Council's goals. Additional reviews may be needed in changing environments and priorities to assure overall alignment.

SECTION 4—Monthly reports of standing committee activities shall be submitted to the Congregation Council. Issues requiring Congregation Council action should be highlighted.

Section 5—There shall be an Executive Committee. The Executive Committee consists of the President, Vice President, and Secretary of the Congregation and the Pastor. The executive committee is empowered to act on behalf of the council when necessary in between regular meetings, fix the hour and place of meetings, and create the agenda for regular meetings. In the event that a Mutual Ministry Committee is not in place, the executive committee will function as the Mutual Ministry Committee until one can be established.

SECTION 6—There shall be a Committee on Church Property. This Committee shall provide for the proper maintenance and protection of all property to include all property, both real and personal, including but not limited to technology, equipment and intellectual property of the Congregation and shall submit requests for repairs, replacement or new property not within the current budget to the Congregation Council for approval.

SECTION 7—There shall be an Audit Committee of three voting members, two who are members of the Finance Committee. They shall be appointed annually by the Congregation Council and shall not be members of the Congregation Council. Neither the Treasurer nor Financial Secretary may be members of the Audit Committee. The audit committee will ensure that an audit of Zion and its ministries are completed once a year. Furthermore, The Audit Committee will contract with an outside CPA firm no longer than every five years to conduct a financial audit. The Audit Committee will report directly to the Congregation.

SECTION 8—There shall be a Nominating Committee for new Congregation Council members. The Congregational Council shall annually appoint the members of the Nominating Committee. The Committee shall consist of at least 4 but not more than 6 members from the congregation at large. The Chairperson will be appointed by the Executive Committee and approved by the Congregation Council.

SECTION 9—There shall be a Finance Committee. If the Treasurer is not a member of the Finance Committee, he or she shall have the right to a seat and voice in its sessions. Its duty shall be to prepare the annual budget of the congregation for the succeeding year and to provide ways and means for the gathering of the needed funds in a scriptural and systematic way. The Committee shall see that the financial affairs of the congregation are conducted efficiently, giving special attention to the prompt payment of bills and to the regular forwarding of benevolence monies to the Synodical Treasurer. The Committee shall, subject to the approval of the Congregation Council, be responsible for the congregation's investments and insurance program and shall also ensure the annual auditing by the Audit Committee of the accounts of the Treasurer of the Congregation, of its Financial Secretary, the MVFB, and of the Secretary-Treasurer of the Cemetery Board

of Managers occurs.

SECTION 10—There shall be a Committee of Mutual Ministry appointed by the Executive Committee and the Pastor. In the absence of a Mutual Ministry Committee the duties shall be performed by the Executive Committee. Terms of the office shall be two years with three new members elected after two years.

SECTION 11—There shall be a Committee on Personnel having the responsibility for facilitating the development of personnel policies and procedures; the recruitment process in filling vacant positions; reviewing yearly evaluations for church staff; and making budgetary recommendations regarding staff salaries to the Finance Committee.

Section 12—When a vacancy occurs where there is a need to call a rostered minister, the Congregational Council shall appoint an ad hoc Call Committee consisting of six voting members of the Congregation. Term of office will terminate upon installation of the newly called rostered minister.

Section 13—Other ministries that are not committees may be created, abolished, merged or otherwise modified by resolution of the Congregational Council. Any resolution addressing these ministries shall set forth their mission, their duties, goals and objectives, and means for measuring whether goals and objectives are met. The resolution shall specify whether a council representative is to work with the ministry, and whether reports, and frequency of the same, will be required. Ministries annually will prepare a roster of members and will provide it to the Council President. The Congregational Council may also appoint a special committee to address specific issues or concerns. Any resolution creating a special committee shall specify the members which the Council (or the Executive Committee if the Council so delegates) will appoint, the term of the members of the special committee, the parameters of what the special committee is to accomplish, reporting and other requirements, deadlines and anything else the Council and/or congregation deems necessary.

## ARTICLE VI CEMETERY BOARD OF MANAGERS

SECTION 1--All lands and property owned by the Evangelical Lutheran Church Zion for burial purposes shall be placed under the administration of a Board of Managers.

SECTION 2--The Board of Managers shall be comprised of four non-Congregation Council members of the congregation in good standing and over 18 years of age and one member of the Congregation Council. Vacancies shall be filled for the unexpired term through the identical approval process as for the Manager.

SECTION 3--At its reorganization meeting which takes place ten days after the annual Congregation meeting, the Board shall submit for approval by the Congregation Council a Manager to serve for a term of four years, or until his or her successor shall be elected. Vacancies shall be filled for the unexpired term through  
the identical approval process for the Manager.

SECTION 4--Between the first and tenth of February each year the managers shall meet and organize by electing one of their number as Chairman and one as Secretary-Treasurer.

SECTION 5--The Board of Managers shall have power to make By-laws, rules and regulations for the government and management of the property in their charge, not inconsistent with this Constitution or the Constitution and Laws of this State. They shall have power to appoint such other officers, agents, and employees as they may consider necessary, to fix their duties, to provide for their payment; and may discharge any or all of them whenever they may deem it expedient to do so. They shall have power to designate the person, or persons, who in their judgement qualify to be entrusted with the digging and filling of graves, and the making of all kinds of excavations for burial purposes, as well as for foundations of all monuments, tombstones or other devices therein; they may prohibit the same from being done by any other person or persons. They shall lay out the grounds into burial lots, drives, and walks, and such other devices as shall to them seem proper. They shall cause all burial lots to be numbered, marked, or otherwise designated, and may dispose of them. Such lots when sold shall be for the purpose of burial only and shall not in any manner be subject to attachment, or execution for debt, or to public taxation of any kind, nor affected by the insolvent laws of the State. The burial plot of the owner, or owners, shall descend as real estate to their heirs, as may be devised by Will, or may be disposed of by the owner by sale, but only with the approval of the Board of Managers. The ownership of any lot so sold, and conveyed, shall in all respects have the same effect as any conveyance from said Corporation would have, if executed, acknowledged, and recorded as conveyances of real estate by the Laws of this State.

SECTION 6--The Board of Managers shall keep books in which shall be recorded their meetings and proceedings; the plot and plans of the grounds in their keeping and of the burial lots, walks, drives, and such other devices as they shall cause to be made; also an account of the sales, and transfers of lots, and the names and owners of the same; also all the By-laws, rules, and regulations of the Board. These books and proceedings therein recorded shall be evidence thereof in any Court in this State, even though the same is not recorded in the land records of Frederick County.

SECTION 7--Fifty percent of all income from the sale of burial lots will be used for perpetual care. The remaining fifty percent will be used for expansion purposes. Donations received will be placed into a Bequest Account. The Cemetery Board may use interest only from the Expansion and Bequest Accounts for operational expenses. The principal of these two accounts may not be used unless by Congregation Council approval for other needs. The Board of Managers may not exceed \$15,000 for purchase of equipment without the consent of the Congregation Council. The Secretary-Treasurer of the Board of

Managers shall make a written report to the congregation at its regular Annual Meeting. The Secretary-Treasurer shall serve without receiving any compensation.

SECTION 8--The Board of Managers shall set apart a portion of the grounds under their control for the purpose of free burial therein, but the Board may designate the place therein at which any body shall be interred.

## Article VII-Middletown Valley Food Bank

Section 1. The Middletown Valley Food Bank (hereinafter MVFB) was organized in the 1980's as an outreach ministry of Zion Lutheran Church. As the MVFB has expanded over the years, and has acquired significant assets, there is a need to memorialize the procedures for oversight of the MVFB to ensure good stewardship of resources and ensure that the MVFB's operations comport with the mission of Zion Lutheran Church. The Congregational Council has the ultimate responsibility for the oversight of the MVFB. For the day-to-day operation of the MVFB, and other duties and functions described below, the Congregational Council has delegated such authority to the MVFB Advisory Board, as described in section 2 below.

Section 2. The initial Advisory Board consists of four members: a President, a Secretary, a Treasurer, and one Member-at-Large. All the members of the Advisory Board shall be members in good standing of Zion Lutheran Church. The Member-at-Large shall be a member of the Congregational Council of Zion Lutheran Church and shall be appointed by the Congregational Council at the first meeting of the newly elected Congregational Council each year. The Congregational Council may by resolution at a duly scheduled meeting expand the membership of the Advisory Board; the total number of members shall not exceed 8 individuals.

Section 3. The Advisory Board shall meet at least four times a year and may meet more often if it deems necessary. At the first meeting of the year after the appointment of the Member-at-Large, the Advisory Board shall elect its President, Secretary and Treasurer. The Congregational Council shall then approve the election by resolution. The Congregational Council reserves the right to not approve an individual for election for good cause, or to remove an individual for good cause.

Section 4. The MVFB Advisory Board may enter into contracts for goods and services, not to exceed \$15,000. The Advisory Board shall obtain the approval of the Congregational Council to enter into contracts that exceed \$15,000. The Advisory Board may enter into a lease of real property but shall obtain the approval of the Congregational Council.

Section 5. The Advisory Board shall be responsible for the following routine oversight of the MVFB's daily operations, including but not limited to: (1) day-to-day operations; (2) financial matters (i.e., payment of routine bills, utilities, procurement of food, routine audits); (3) creation and execution of policies and procedures regarding the daily operation of the MVFB; (4) volunteer recruitment, development and recognition; and (5) maintaining a good working relationship with the Village of Middletown. Advisory Board activities shall comport with the provisions of the Constitution and By-Laws of Zion Lutheran Church and the laws of the State of Maryland and the United States. Day-to-day activities shall include the ability of the Advisory Board to appoint such agents and employees as deemed necessary, to fix their duties, provide for their payment (within the limitations set forth in section 4), and discharge the same when deemed expedient or necessary.

Section 6. The MVFB shall provide Zion Lutheran Church with an annual report of its activities along with a financial report. These reports shall be published as part of the information provided to the Congregation for its annual Congregational meeting. The Advisory Board shall provide minutes of its meetings to the Congregational Council and shall provide reports to the Congregational Council of its activities as established in section 5 above. The Congregational Council may request at its discretion additional reports from the Advisory Board of its activities and the state of the MVFB's finances. The MVFB shall ensure that

its books and financial records are kept in accordance with Generally Accepted Accounting Principles (GAP).

Section 7. As part of its oversight of the MVFB, the Congregational Council reserves the right to overturn any action by the MVFB Advisory Board that does not comport with the Constitution and By-Laws of Zion Lutheran Church, the Church's teachings, or Federal, State or local laws.

Section 8. The MVFB or Zion Lutheran Church, collectively or separately, may decide to terminate their relationship. If either entity makes this election, it shall provide the other entity with written notice. In such an instance, the following procedure shall then be followed.

- a. If the Congregation wishes to terminate the relationship, a resolution indicating the intent to terminate the relationship must be adopted at a legally called and conducted special meeting of this congregation by a two-thirds vote of the voting members present. The Food Bank Advisory Board would be aware of the decision in writing within 30 days of the vote. If the resolution fails, the Congregation must wait at least 6 months before taking action to adopt another resolution seeking termination. If the termination resolution is successful, the Congregational Council and the MVFB Advisory Board will work together to begin the transition of oversight to the Advisory Board. This includes general oversight by the Congregational Council until the MVFB can either establish itself with the Internal Revenue Service (IRS) as a section 501(c)(3) nonprofit organization, or otherwise transfer its assets to an entity that has such status with the IRS.
- b. If the Food Bank wishes to terminate the relationship, the Advisory Board would need to pass a resolution with two-thirds of the Advisory Board voting to terminate the relationship. The Congregation of Zion Lutheran Church then will present the resolution to a special Congregational meeting as set out in these By-Laws. If the resolution fails, the Advisory Board must wait at least 6 months before taking action to present another resolution seeking termination. If the termination resolution is successful, the Congregational Council and the MVFB Advisory Board will work together to begin the transition of oversight to the Advisory Board. This includes general oversight by the Congregational Council until the MVFB can either establish itself with the Internal Revenue Service (IRS) as a section 501(c)(3) nonprofit organization, or otherwise transfer its assets to an entity that has such status with the IRS.
- c. If the Congregation at a duly called meeting approves a resolution to dissolve its relationship with the MVFB under the provisions of subsections a. or b. above, this Article VII of the By-Laws will be deemed to have been repealed upon the MVFB's either obtaining section 501(c)(3) approval from the IRS or otherwise transferring its assets to another entity so approved.

