

## **Bylaws of**

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### **(a Free Methodist Church)**

#### **ARTICLE I. STATEMENT OF FAITH**

Our specific doctrine and statement of faith is stated in Chapter One “*Articles of Religion*” in the Book of Discipline (“BOD”) of the Free Methodist Church – USA.

#### **ARTICLE II. OUR MISSION AND VALUES**

- A. **Our Mission:** To love God, love people, and make disciples. We do this by bringing lost people into relationship with God and help them become fully devoted, and reproducing followers of Jesus Christ.
- B. **Our Values:** We accomplish our God-given purpose effectively by carrying out our mission in a manner in keeping with the values set forth in Free Methodist Way and the values and outcomes expressed in 6050 and 6060 of the Book of Discipline of the Free Methodist Church – USA.

#### **ARTICLE III. OUR PREROGATIVES**

To assist us in accomplishing our purposes, we reserve the right to transact any and all lawful business for which nonprofit corporations may be incorporated under the laws of the State of \_\_\_\_\_ and under Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted. Such lawful business may include, but is not limited to, the following:

- A. To conduct religious services;
- B. To bring wholeness to the world by loving God, loving people, and multiplying followers of Jesus.
- C. To prepare and commission leaders for ministry within our local community and other related ministry contexts;
- D. To advocate and serve the marginalized and poor in our communities;
- E. In compliance with the Book of Discipline, to own, hold in trust, use, sell, convey, mortgage, lease, or otherwise acquire or dispose of such property (real or personal) as may be needed for the prosecution of our work.

#### **ARTICLE IV. MANAGEMENT OF THE CORPORATION**

The management and affairs of the corporation shall be at all times under the direction of the Lead Pastor and the Board of Administration. In accordance with Free Methodist polity, the Lead Pastor and the Board of Administration are partners in the mission and administration of the local church. Neither being subordinate to the other, but rather mutually submitted to one another to accomplish the work Jesus has entrusted to them as leaders in the Free Methodist Church.

##### **A. Lead Pastor:**

The Lead Pastor shall be the presiding Elder of the Society and President of the Corporation. [see IV.B.12] and shall be an ex-officio member of all boards and committees. The Lead Pastor, or their designee, shall serve as the Chairman of the meetings of the Society and of the Board of Administration.

1. **Appointment:** The Lead Pastor shall be appointed by and accountable to the \_\_\_\_\_ Conference of the Free Methodist Church through its Superintendent, Ministerial Education and Guidance Board, and Ministerial Appointments Committee.
2. **Qualifications:** The Lead Pastor shall be a person of mature Christian experience and knowledge, who shall be expected to meet the requirements for Pastoral Ministry outlined in the Book of Discipline ¶15310.
3. **Duties:** The Lead Pastor shall be specifically responsible for the following, working in cooperation with the oversight of the Board of Administration:
  - a) Leading the church in corporate worship and in the mission of Jesus.
  - b) Leading in alignment with the FMCUSA Nonnegotiable Fundamentals (BOD ¶16040); the Core Values (BOD ¶16050); and the Expected Outcomes (BOD ¶16060).
  - c) Leading towards the multiplication of disciples, leaders, and churches.
  - d) Managing the ministry and operation of the church.
  - e) Hiring and oversight of professional and volunteer staff to fulfill the mission.
  - f) Enforcing the policies and decisions of the Board of Administration.
  - g) Creating and recommending an annual missional plan and budget for the operation and ministry of the church.
  - h) Reporting missional and operational realities to the Board of Administration.
  - i) Reporting missional and operational realities, at least annually, to the Conference.
  - j) Reporting missional and operational realities, at least annually, to the Society.
4. **Term, Vacancy, or Removal:** The Lead Pastor shall serve at the will of the Conference. Annual evaluation, with input from the Board of Administration, and appointment shall be conducted by the Conference. The Board and delegates will work with the Superintendent and MEG (Ministry Education Guidance Board) on issues of ongoing concern with any appointed leaders. The Superintendent, or his/her designee, will set and lead any such process of evaluation and addressing of concerns.

#### **B. Board of Administration:**

This organization shall be governed by one Board of Directors, which will be called the Board of Administration (the "Board"). This board will operate as a governing board.

1. **Composition:** The Board shall consist of \_\_\_\_\_ members, unless or until modified by special resolution of the Board. The Board, at its discretion, by special resolution, shall establish the number of board seats annually for the coming fiscal year prior to the start of the nominating process. The Board shall always consist of an odd number of positions, no more than nine and no less than five.
2. **Qualifications:** Members of the Board shall be persons of mature Christian experience and knowledge, at least 18 years old, who shall be expected to meet the biblical requirements as set forth in I Timothy 3, Titus 1, and Acts 6 for Christian leaders. Board members should be capable of policy making, risk assessment, strategic planning, disciple making, and fiscal management. They must be fully participating members in good standing, demonstrating their faithfulness in worship, attendance, serving, praying and giving with financial support at least to the level of the tithe, and living in harmony with the membership covenant and the FMCUSA Nonnegotiable Fundamentals (BOD ¶16040). No persons serving as employees of the church, excepting the Lead Pastor, may serve on the Board. This helps to preserve the integrity between oversight and

operations. Similarly, no immediate family members of employees or of other Board members may serve on the Board while their relative is serving the church in that capacity. This helps to preserve the integrity of the Board and avoid unnecessary conflicts of interest.

3. **Nominations:** Nominations of qualified candidates for the Board shall be made to the Society at the annual meeting or any special meeting or election called for this purpose by the Board based on recommendations from the Nominating Committee.
4. **Election:** A candidate is elected to the Board by the majority vote of the Society.
5. **Reimbursement:** Directors shall not receive salary or remuneration for their services, but by resolution of the Board, may be reimbursed for reasonable expenses actually incurred in connection with attendance at Board Meetings. Except of the Lead Pastor, no Director may serve in paid positions with the church to preserve the distinct functions of oversight and operations.
6. **Terms of Office:** Except for the Lead Pastor, members of the Board shall serve for a term of three years. Terms shall be staggered to provide continuity. Board members shall be eligible to serve two consecutive three-year terms and then cannot serve on the Board for at least one year prior to being eligible for reelection by the Society.
7. **Duties:** The Board shall be specifically responsible for governance and oversight of this church. The Board shall work to maintain separation between management and oversight to preserve its integrity, perspective and ability to provide true oversight. The Board shall have the following duties:
  - a. To work with the Lead Pastor to keep the primary focus of the church on the mission of Jesus to make disciples and reach those far from him.
  - b. To ensure the church establishes and maintains a culture, theology, spirit, and vision consistent with biblical teaching and the Free Methodist Way in its expression.
  - c. To ensure alignment with the FMCUSA Nonnegotiable Fundamentals (BOD ¶6040); the Core Values (BOD ¶6050); and the Expected Outcomes (BOD ¶6060).
  - d. To work with the Lead Pastor to establish missional goals.
  - e. To work with the Lead Pastor to evaluate the missional progress of the church and develop strategic plans to further the mission of Jesus through the church.
  - f. To assess risks to the well-being of the church spiritually, missionally, fiscally, legally, and otherwise, and mitigate the risks with strategic planning and policies.
  - g. To provide oversight of the fiscal matters of the church, including approving the annual budget, reviewing monthly financial progress, entering contracts, owning, holding in trust, using, selling, conveying, mortgaging, leasing, or otherwise acquiring or disposing of such property (both real and personal).
  - h. Reviewing compensation for staff, including the Lead Pastor, on an annual basis.
  - i. To appoint task groups as necessary to better accomplish the mission. All task groups are amenable to the Board and shall only have authority to the extent granted by the Board.
  - j. To keep minutes, financial reports, and other such corporate records in keeping with federal, state and local laws, making such available to the Society or Ministry Partners when appropriate or requested, excepting confidential matters protected as such under the law.
  - k. To authorize and oversee local ministerial candidates and consecrated deacons in keeping with the Book of Discipline.

8. **Nominating Committee:** A Nominating Committee shall be appointed by the Board. The committee shall collect potential candidate recommendations from the Society and then present to the whole Board names of qualified candidates for any vacant Board position or Annual Conference Delegate position at least 60 days prior to the election of Board members. All potential candidates presented to the Board for nomination must meet the qualifications set forth in Section IV.B.2 and Section IV.B.5 of these Bylaws. The Board will select from among the names submitted by the nominating committee and present them to the Society for their consideration and election at least 30 days prior to board election.
9. **Task Groups:** All Board-appointed tasks groups shall be accountable to and work under the supervision and at the discretion of the Board except for a Pastor's cabinet, which, if formed, will serve in only an advisory capacity to the Lead Pastor. They shall be formed in a size and manner of the Board's choosing and must always have an expiration date set by the Board upon their formation, which may be extended by action of the Board. Committees or teams mentioned in the Book of Discipline or common in Free Methodist practice such as: Personnel Committee, Member Care, Trustees, Budget, Finance & Property, Christian School, etc. are considered task groups and will only have the authority to make recommendations to the Board for action. All such committees or task groups are subordinate and accountable to the Board.
10. **Vacancy:** In the event a vacancy occurs on the Board in the middle of a term and the seat is vacated dropping the size of the Board below the number established by the Board for that fiscal year as set forth in Section IV.B.1 of these Bylaws, the Board shall be authorized to appoint interim Board members. All Board members appointed in this manner must be ratified or replaced by the majority of vote of the Society at the next regular or special election called for this purpose.
11. **Removal:** Any member of the Board may be removed without cause by unanimous vote of the Board other than the member being considered for removal. Any Board member so removed shall have no right to appeal. Further, any member of the Board found to be living in violation of the FMCUSA Nonnegotiable Fundamentals (BOD ¶16040) or creating disorder in the church (BOD ¶17130.A) may be removed for cause by the Conference Superintendent in accordance with BOD ¶17130.B.1.e.iii. Any Board member so removed shall have no right to appeal.
12. **Officers:** Officers of this corporation shall consist of a Chairperson, a President, a Secretary, and a Treasurer, whose roles are defined in the Official Church Policy Handbook. The Lead Pastor shall be the President and Chairperson but cannot serve as either the Secretary or the Treasurer. The Lead Pastor may temporarily appoint another person to serve as Chairperson, but such person shall serve in that capacity only so long as the Lead Pastor requests and will relinquish the chair immediately upon request of the Lead Pastor. The Board shall select the Secretary and Treasurer from among themselves by majority vote, whenever a vacancy in the office occurs. The Secretary and Treasurer shall be elected to serve annually. The Secretary will also serve as the Secretary of the Society.
13. **Meetings:** The Board of this corporation shall hold meetings as they shall deem necessary for the competent management of the affairs of the corporation but shall meet no less than quarterly. The Board shall not meet without the knowledge and consent of the Lead Pastor except as provided for in this paragraph. Should the Board wish to meet without the Lead Pastor, they must request the presence of the Conference Superintendent or their designated representative. The Board shall then not meet without either the Lead Pastor or the Conference Superintendent or their designated representative. A Board member may participate in a meeting by a

conference telephone, video conference, or similar communications equipment by which all persons participating in the meeting can hear each other; participation in a meeting in this manner constitutes presence in person at the meeting.

- a. **Order of Business:** To expedite board meetings and to avoid confusion in deliberations, all such meetings shall be governed by the accepted rules of parliamentary procedure in keeping with the spirit of Christian love and fellowship under the guidance of the Holy Spirit. The parliamentary authority shall be the then current edition of *Robert's Rules of Order*, and it shall apply when it is not inconsistent with the Bylaws, the Book of Discipline, or any special rules of order that this Board may adopt in the future.
- b. **Regular Meetings:** The regular meetings of the Board shall be held as scheduled by the Board at the beginning of each fiscal or calendar year. Notice of the regular meetings shall be sent to each Board member when the dates are established and again not less than 10 days in advance of each regular meeting. Neither the business to be transacted at, nor the purpose of, any regular meeting need be specified.
- c. **Special Meetings:** Special meetings of the Board may be called from time to time at the discretion of the Lead Pastor. Notice of all special meetings shall state the purpose or purposes for which the meeting is to be called and shall be sent to each Board member not less than 24 hours in advance of the meeting. No other business shall be considered at any special meeting other than as described in said notice.
- d. **Consent in Lieu of Meeting:** . Any action required or permitted to be taken at a meeting of the board or a committee of the board may be taken without a meeting, if before or after the action, all members of the board or committee then in office consent to the action in writing or by electronic transmission.
- e. **Voting Rights:** Each Board member present shall be entitled to one vote. Voting by proxy or absentee shall not be allowed.
- f. **Quorum:** A simple majority of the Board members must be present at any regular or special meeting, duly noticed, to constitute a quorum.
- g. **Adoption:** The vote of a majority (51%) of the assembled quorum shall be necessary for adoption of any matter voted upon, unless a greater proportion is required by law, or by the Bylaws, or by consent of the Board.

## **ARTICLE V. MEMBERSHIP OF THE CORPORATION**

The corporation shall maintain a missional membership known collectively as “The Society” and individually as “Members” In keeping with the Free Methodist polity, the membership shall have no legal rights and responsibilities related to the governance of this corporation other than as stated in these Bylaws, but shall have responsibilities related to fulfillment of the mission, values, and expected outcomes outlined in the Book of Discipline and shall advise the decision making of the Board when called upon by the Board to vote on specific matters of importance, or as stated above regarding the selection of delegates and Board members.

- A. **Eligibility Requirements:** To be eligible for voting membership, persons must meet the following criteria:
  - 1. They must be at least 18 years of age to vote;
  - 2. They must have placed their trust in Jesus Christ as their Lord and Savior;

3. They must be willing to or have followed Jesus in water baptism;
4. They must demonstrate a willingness to live in obedience to God and to receive God's grace to live with moral integrity;
5. They must subscribe to the mission, the organization, and tenets of faith held by the Free Methodist Church-USA and this local church;
6. They must demonstrate a willingness to support the church through regular giving of tithes and offerings according to the Word of God (Malachi 3:8-10);
7. They must be regular participants in this local church.

**B. Reception of Members:** Eligible candidates for membership will:

1. Complete a membership orientation;
2. Be approved by the Board for acceptance into the Society.

**C. Discipline/Restoration of Members:** In the event a member is found to be living in violation of the FMCUSA Nonnegotiable Fundamentals (BOD ¶6040) or creating disorder in the church (BOD ¶7130.A), the Board will engage that member in a Discipline/ Restoration process. Should the member refuse to engage in the process or continue living in violation, they shall be removed from the Society in accordance with Section V.D.3 of these Bylaws.

**D. Termination of Membership:**

1. **Resignation:** A Member in good standing may terminate their membership by written letter to the Board or Lead Pastor.
2. **Withdrawal:** To keep the Society records current, any Member who withdraws from regular fellowship and participation in the church (except for sickness, military duty, or other justified reason) for a period of a year, may have their name removed from the official roster of the Society. Removal must be approved by the Board. Any Member in good standing so removed, may be reinstated upon request and evidence of engagement at the discretion of the Board.
3. **Removal:** Any member may be removed for cause by a unanimous vote of the Board.

**E. Delegates:** The Society shall elect a number of delegates from among their number in keeping with the guidelines specified in the Book of Discipline. These delegates will represent the Society at the Annual Conference Sessions and act as liaisons between the church and the Conference between Annual Conference sessions. Any Member in good standing is eligible to serve as a delegate. The Nominating Committee may collect potential candidate recommendations from the Society and then present to the Board up to two names of qualified candidates for each delegate position at least 60 days prior to any annual or special meeting of the Society called for electing delegates. The Board will select from among the names submitted by the Nominating Committee and present them to the Society at least 30 days prior to any annual or special meeting of the Society called for electing delegates for their consideration and election. The candidates for delegate presented by the Board to the Society must include candidates from among seated members of the Board designated by the Board. Candidates designated from the Board may not make up more than half of the delegate seats presented to the Society for election. This is to provide for continuity and communication between the Board and the delegates for Annual Conference.

**F. Society Meetings:**

1. **Regular Meetings:** A Society Meeting shall be held each year to celebrate missional outcomes. Reports shall be given of the ministry and financial health of the Church along

with any Society business, such as elections, scheduled by the Board for the meeting. The date shall be set and announced by the Board.

2. **Special Meetings:** Special meetings of the Society may be called by the Board.
3. **Notice:** Members shall be given advance written notice of all Society meetings at least ten (10) days, over two Sundays, prior to such a meeting. The notice shall state the purpose of the meeting and will be announced in weekend worship services.
4. **Quorum:** Those Members who are identified and present at any duly announced regular or special meeting of the Society constitute a quorum.
5. **Voting:** Each Member, age 18 or older, present and having registered their presence with the tellers, at all duly-called regular or special meetings shall be entitled to vote. No absentee or proxy voting will be counted. Members must be present to vote on items put forward in a meeting. The Board may conduct elections outside of holding a meeting in a manner of their choosing consistent with applicable law and these Bylaws. All such elections must be duly noticed.

#### **Article VI. Property and Contracts**

All property, real or personal, shall be held in the name of the corporation.

**A. Real Property:** No real property of this corporation shall be purchased, sold, leased, mortgaged, or otherwise alienated without the same having been authorized by a majority vote of the Board present at any duly constituted meeting. Real property transactions which exceed 10% of total asset value of the church or that incur indebtedness must be approved by majority vote of the Society present at any duly constituted meeting or special meeting called for such purpose. All real property shall be held by the corporation under the trust clause as required by Paragraph 6400.D. of the Book of Discipline. All real property being sold, encumbered, or transferred, in whole or in part, must receive a written release from the FMCUSA.

**B. Personal Property:** No personal property of this assembly shall be purchased, sold, leased, mortgaged, or otherwise alienated without same having been authorized by Lead Pastor and reported to the Board. Personal property exceeding \_\_\_\_% of the approved annual budget must be approved by majority vote of the Board present at any duly constituted meeting or special meeting called for such purpose.

**C. Contracts:** No contract of any nature shall be entered into on behalf of this corporation without same having been authorized by the Lead Pastor. Contracts exceeding \_\_\_\_% of the approved annual budget must be approved by a majority vote of the Board present at any duly constituted meeting or special meeting called for such purpose.

**D. Conflict of Interest:** This corporation shall maintain a Conflict-of-Interest Policy in keeping with IRS guidelines which shall be more specifically delineated in the Official Church Policy Handbook. No contract or other transaction between this corporation and an Interested Person (as defined below), including the sale, lease or exchange of property to or from an Interested Person, the lending or borrowing of monies to or from an Interested Person by this corporation or the payment of compensation by this corporation for services provided by an Interested Person, is void or voidable merely because of the relationship or interest between this corporation and the Interested Person or because an Interested Person is present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies the transaction, or because his, her or their votes are counted for that purpose if:

1. The fact of the relationship or interest is disclosed or known to the Board of Administration or committee which authorizes, approves or ratifies the contract or

transaction by a vote or consent sufficient for that purpose without counting the votes or consents of an Interested Person(s); or

2. The contract or transaction is fair and reasonable to this corporation at the time the contract or transaction is authorized, approved or ratified considering circumstances known to those entitled to vote at that time.

3. The term "Interested Person" means: Members, Directors, Pastors, employees, agents, volunteers of this corporation, and a "Company" (i.e., a corporation, firm, association or other entity) in which one or more of the foregoing is a director, officer or member or owns more than 30% of the equity therein or who stands to receive a material financial benefit from the transaction.

4. Any person seeking to establish that a contract or transaction is void or voidable must first prove by a preponderance of the evidence that the provisions of subparagraphs D.1 and D.2 do not apply.

**E. Loans to Directors and Officers:** Notwithstanding anything herein to the contrary, this corporation shall neither lend money to, nor use its credit to assist, an Interested Person, whether or not an employee or an officer.

#### **Article VII. Indemnification**

**A. Statement of Intent.** To the fullest extent allowed by State law, this corporation intends to protect those Indemnified Parties (defined below) who serve this corporation from personal liability for claims for monetary damages for acts or omissions in their representative capacity or as an agent of this corporation, including but not limited to, the costs of defending against these claims.

**B. "Indemnified Party."** For purposes of this Article, "Indemnified Party (Parties)" means: (i) Directors of this corporation), (ii) Officers of this corporation, (iii) all persons who serve on a board, council, committee, team, or task group of this corporation to the extent that the claim pertains to their service or for other service of this corporation in an advisory capacity and further provided that they are acting within the course and scope of their position.

**C. Mandatory Indemnification.** This corporation shall indemnify, defend, protect and hold harmless the Indemnified Parties for, from and against claims or charges against them (including their spouses) arising from (i) the performance of duties within the scope of their authority to the maximum extent allowed by law or (ii) for negligence (but not for gross negligence) occurring during the performance of those duties to the extent of applicable insurance. (In its sole and absolute discretion, the Board of Directors may, but is not required to, extend indemnity and defense costs in excess of applicable liability insurance to claims arising from negligence or gross negligence.)

1. This corporation shall indemnify, defend, protect and hold harmless an Indemnified Person who is made a party to a proceeding arising from past or present service in that capacity for this corporation or service performed at the request of a Director, officer or pastor in advance of final disposition of the proceeding.

2. Indemnification and advancement of expenses is mandatory in all circumstances in which indemnification or advancement of expenses, as the case may be, is permitted by law in connection with: (i) a proceeding in which the indemnitee is the defendant; or (ii) a proceeding (or part thereof) initiated by the indemnitee only if the proceeding (or part thereof) was authorized in writing in advance by the Board of Directors of this corporation.

3. Permissive Indemnification. To the extent authorized from time to time by the Board of Directors acting in their sole and absolute discretion, this corporation may, but need not, provide a defense and/or indemnity and may advance expenses to Members, employees and agents of this corporation, as permitted by law for claims arising out of their service to this corporation.



4. Repeal or Modification. Repeal or modification of this Article is prospective only and shall not adversely affect limitations on the personal liability of an Indemnified Party of this corporation existing at the time of repeal or modification.

5. Directors and Officers Liability Insurance. The Directors shall obtain Directors and Officers liability insurance.

#### **Article VIII. Construction and Terms**

A. **Conflict:** If there is any conflict between the provisions of these bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern, subject to the Bylaws of the \_\_\_\_\_ Conference and the mission, vision and outcomes as stated in the Book of Discipline of the Free Methodist Church – USA.

B. **Severability:** Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

#### **Article IX. Amendments**

Unless prohibited by applicable State law, these bylaws may be amended from time to time by the Board to comply with best practices for churches, state or federal law, or to enhance the ability of the church to fulfill its mission and the expected outcomes of a local church as noted in the Book of Discipline. Amendments may be adopted by the Board with at least two thirds majority vote of those present at any duly constituted meeting or special meeting called for such purpose.

The undersigned hereby certifies the adoption of these Bylaws by vote of \_\_\_\_\_ which meets the two thirds requirement on this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
*signature*  
President

\_\_\_\_\_  
*date*

\_\_\_\_\_  
*signature*  
Secretary

\_\_\_\_\_  
*date*