

# **Alki United Church of Christ Bylaws**

Spring 2019/May 30, 2019 /Winter 2021  
(Final Version February 24, 2021)

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# **Alki United Church of Christ Bylaws**

Spring 2019/May 30, 2019

## **Article I. Name, Polity and Associations**

### **Section 1. Name**

This church shall be known as “Alki United Church of Christ (Alki UCC) of Seattle Washington.

### **Section 2. Polity**

Alki UCC is governed by its members, and the members exercise the right of control in all its affairs. In all legal matters it shall act in harmony with the Articles of Incorporation as approved by the State of Washington. The church is a member congregation of the United Church of Christ and pledges itself to share in covenant the common aims of the denomination. While this church is bound by no ecclesiastical authority, it shall be in covenant with all other settings of the United Church of Christ.

### **Section 3. Associations**

Alki UCC may, by a majority vote of the Congregation, choose to align itself with another community organization in a common mission.

## **Article II. Covenant, Mission, Vision, Values and Purpose**

### **Section 1. Purpose Statement**

Alki UCC is a faith community growing together as disciples of Jesus Christ, courageously sharing God’s love with each other and the world.

### **Section 2. Vision Statement**

With God’s love at our core, we partner with diverse faith communities and local organizations to actively create paths of peace, justice, compassion, fellowship and inclusion.

## **Article III. Membership**

**Open and Affirming Statement, Acceptance into Membership, Privileges of Membership, Categories of Membership, Membership Records and Restoration of Membership**

## **Section 1. Open and Affirming Statement**

Believing that all people are created equal and have the right to seek God's presence in a loving community of faith, we proclaim that all people who seek compassion, respect and love for their fellow beings are welcome into this church, regardless of race, age, gender, physical ability, level of education, opinion, social position, sexual orientation, or gender identity. All who join this community in a common journey of faith are wholly entitled to participate in every aspect of the church life, including worship, marriages, baptisms, covenant ceremonies and blessings of relationships, and the pastoral ministry of ordained clergy.

## **Section 2. Acceptance into Membership**

Persons may be accepted into membership by Baptism (if not previously baptized), Confirmation, Reaffirmation of faith or Letter of transfer from another church.

## **Section 3. Privileges of Membership**

The privileges of membership include voice and vote on matters of church governance, being a candidate for election to serve on the Church Council.

## **Section 4. Categories of Membership**

- A. **Full Membership** shall be granted to persons who have formally joined Alki UCC, thereby choosing to share in the church's mission and to participate in its common life and ministry. Members shall renew their commitment to participate in the life of the church by submitting an annual financial and/or volunteer pledge.
  - B. **Associate Membership** may be granted to an active member of another church who wishes to maintain membership in that church for significant reasons, but desires to fully participate in Alki UCC. Those seeking Associate Membership must present to the Council a statement of good standing from the church of membership and state the rationale for desiring Associate Membership rather than Full Membership. The Church Council shall determine the appropriateness of the stated rationale and vote on each Associate Member request. Associate Members shall have all the rights of full members except for requesting a letter of transfer from another church.
- All Full and Associate Members shall herein be called Members.

## **Section 5. Membership Records**

The membership records shall be reported at least once a year to the Church Council by the Clerk. The Council shall confirm that the names of new, deceased, transferred, or resigned members have been properly recorded; and shall place on the inactive membership roll the names of those whose addresses are unknown, or who for a period of one year, despite kindly approaches, have not communicated with the church nor contributed to its support.

Associate Members shall not be counted in the denominational reporting process since their home church reports them. Associate Membership shall be terminated when the person leaves the area or does not fulfill membership commitments.

### **Section 6. Restoration of Membership**

Any member placed on the inactive membership roll may be restored to active membership by a vote of the Church Council, upon satisfactory evidence of living out the membership commitments.

## **Article IV. Services and Education**

### **Section 1. Worship**

Services of worship shall be held regularly each week in person and/or virtual.

Reception of new members will be honored by the congregation during worship.

Other worship services, programs, and events that support the mission of the church may be scheduled at any time approved by the Church Council.

### **Section 2. Sacraments**

The Sacrament of Holy Communion shall be celebrated at least monthly, at times to be determined by the Pastor and the Worship and Music Ministry Team. The Sacrament of Baptism shall be celebrated as the need arises and is requested.

### **Section 3. Education**

The Church shall conduct a program of Faith Formation/Christian education to lead its members and their families into a deeper understanding and practice of faith.

## **Article V. Meetings of Members**

### **Section 1. Annual Meeting**

The Congregational Meeting will be held annually. The purpose of the meeting is to receive the yearly reports of the Pastor, all officers, committees, and organizations of the church; to elect officers; to transact business; to approve, revise, or reject a proposed budget; to engage in visioning and planning for the future of the Church; and other business as may be necessary. The annual meeting shall be in person and/or virtual.

### **Section 2. Special/Informational Meetings**

A congregational meeting in person and/or virtual shall be held prior to the annual meeting to inform members of the current financial status of the church and to approve the anticipated financial plan for the coming year. Other meetings of the Church for the transaction of business may be called by the Pastor, the Moderator, the Church Council, or on written request of at least five members of the Church. The nature of the business to be considered shall be stated in the call to the meeting.

### **Section 3. Notice of Meetings**

The Church Council shall determine the date, time, location, and agenda of each meeting of the Church. Written or printed notice state the date, time, location, and agenda of any meeting of members shall be delivered to church members not less than (10) days before such a meeting.

### **Section 4. Quorum**

A quorum shall consist of 40% of the active membership as recorded by the Secretary/Clerk at the time the meeting is called to order except when voting of specific matters. (See Section 6. Matters Referred to the Membership.)

### **Section 5. Voting**

All business may be voted on in the manner prescribed by the members present at the meeting. All business of the Church, except otherwise provided for in these Bylaws, may be decided by a simple majority vote, a quorum being present. Unless restricted by law, each member of the Church shall be entitled to one vote. Proxy voting shall not be allowed.

## **Section 6. Matters Referred to the Membership**

Matters that shall be referred for action or confirmation by the Congregation include, but not limited to: any matter required by law or these Bylaws, adoption of the budget, establishing new salaried positions, annual election of Church Council members.

Matters also reserved for action by the membership at official congregational meetings that require a super-majority (two-thirds) approval of active members present at the meeting include: call of the Pastor, purchase, sale, mortgage, lease, or transfer of real property, the distribution of Trust Fund Principle in full or in part as provided in Appendix A, amendment of the Bylaws, any action to dissolve the church or merge with another congregation, termination of any elected or appointed Council or Standing Committee member, and termination of the Pastor.

## **Section 7. Rules of Order**

The principles of Robert's Rules of Order shall govern procedure of all business meetings of the Church.

## **Article VI. Officers and Church Council (formerly Board of Directors)**

### **Section 1. General Responsibilities**

The affairs of the Church, except for matters specifically required to be decided by the membership, shall be managed by its Board of Directors. Alki UCC Board of Directors shall be known as the Church Council. The Church Council shall be responsible for supporting the spiritual and financial health of the Church, as well as directing the Church's mission, strategic planning, policymaking, and other duties assigned to it by the congregation.

### **Section 2. Composition of the Church Council**

The Church Council shall be made up of up to 11 elected voting active members: Moderator; Vice Moderator; Clerk (secretary); Treasurer, one at large member and representatives of the Ministry teams, such as but not limited to Worship and Music, Worship Logistics, Caring Community and Fellowship, Stewardship, Outreach, and Faith Formation. The Pastor and the Operation Manager are ex-officio members, attending meetings without voting. Ministries may be created, modified or dissolved by amending these bylaws.



### **Section 3. Officers**

The officers of the Church shall be those named in Section 2 as voting members of the Church Council, who shall be elected according to these Bylaws. The Council may appoint or may request the membership to elect additional officers. Such additional officers shall have duties and authority as Council may prescribe.

Each Officer shall:

- A) Have the authority to appoint assistants for specific purposes within his or her area of assigned responsibilities.
- B) Have the authority to spend funds allocated to his or her office or ministry as directed by a budget approved by the congregation.
- C) Receive, maintain, and pass on to his or her successor a guide detailing the duties of his or her office, including associated procedures, resources, and best practices.
- D) Participate in training and transition of his or her office to its successor.
- E) Submit an annual report to the congregation for review.
- F) Perform other duties as requested by the Church Council.

### **Section 4. Pastor**

#### A) Duties and Responsibilities

The pastor shall be responsible for the spiritual guidance of the Church based on his/her best understanding of God's Word in Spirit and Scripture, and shall have responsibility of the pulpit, the sacraments, and all services of public worship. It shall be the mutual responsibility of the Pastor and congregation, individually and collectively, to nurture one another. The Pastor shall nurture the spiritual life of the Church in ecumenical and interfaith relations. The Pastor shall coordinate all activities of the Church and its work in conjunction with the officers of the Church. The Pastor shall provide the oversight function for each of the employees of the church. All other employee relations are described in the Personnel Committee (Article VII. Section 4.3B).

#### B) Selection and Termination

When a vacancy occurs in the position of the Pastor of the Church, the Guide to Pastoral Search and Call: Notes for the Local Church, published by the United Church of Christ, along with the Pacific Northwest Conference shall assist the Congregation in the Interim/Transitional Process and Pastoral Search Process. A Pastoral Search Committee shall be appointed by the Church Council. This committee shall recommend a candidate for Pastor of the Church with the assistance of the Pacific Northwest Conference of the United Church of Christ. This candidate shall be proposed to a duly-called congregational meeting of the Church, and with the approval of a two-thirds majority vote, a call shall be extended to the candidate. Once accepted by the

candidate, a call may be terminated either by resignation or by the Church membership (as provided for in Article V, Section 6). In either case, notice of termination shall be given at least sixty (60) days in advance unless shorter notice is warranted.

#### C) Conditions of Employment

At the time of the call, there shall be written agreement between the Church and the Pastor covering matters such as the following:

- 1) Current priorities and goals of the Church
- 2) Expectations of the Church concerning such matters as office hours, pastoral calling, and degree of desirable participation in denominational, ecumenical, and community activities.
- 3) Salary, annuity contributions, housing, health, and allowances for disability, automobile expenses, and professional expenses.
- 4) Vacation, study, sabbatical, and defined extended leaves.
- 5) Minimum duration of call.

#### D) Evaluation and Renegotiations

After the first year and at intervals of at least every three years, the Personnel Committee and the Church Council shall work with the Pastor and the congregation to evaluate and renegotiate the commitments, expectations, and the needs of the Church and Pastor. The Personnel Committee shall submit a report of its work to the congregation (Article VII. Section 4B).

### **Section 5: Duties of Elected Officers**

#### A) Moderator

In church matters the Moderator shall perform all duties commonly associated with the office of president of a corporation. The Moderator shall preside over meetings of the membership and of the Church Council. At the request of the Council, or on his or her own initiative, the Moderator shall appoint committees as may be required or desirable in furthering the programs of the Church and may participate in the deliberations of such committees.

#### B) Vice Moderator

The Vice Moderator shall act in the place of the Moderator or in a specific responsibility delegated to and accepted by the Vice Moderator.

C) Secretary (Clerk))

The Secretary, in conjunction with the office staff, shall maintain all corporate and membership records of the Church, including minutes of membership and Church Council meetings, issue letters of transfer, and send notices of meetings.

D) Treasurer

The Treasurer shall oversee the church's finances in coordination with the staff.

All other officers on the Church Council shall represent their Ministry Team and shall have such duties as assigned to them by the Council and their Ministry Team. The Operations Manager shall be appointed by the Council. He or she will provide support for issues and activities related to finance, budget, personnel, building and grounds, insurance, and church policies and procedures. The Operations Manager is also a signer on the Church checking account

### **Section 6: Qualification, Elections, and Terms of Office**

A) Qualifications

Each officer of the Church Council shall be a member of the Church.

B) Nomination

The Nominating Committee shall present a slate of nominees for all vacant offices to a duly-called meeting of the congregation. Additional nominations may be made from the floor during said meeting, provided the consent of the nominee is obtained. This may result in a contested election of more than one person running for election to the same office.

C) Election

The members of the Church Council shall be elected by a simple majority of the members present at a duly called meeting of the congregation. If there is a contested election for an office, the election for that office must be considered independently, and the slate of nominees may not be voted on.

D) Term of Office

All members of the Church Council, other than the Pastor and Operations Manager, shall be elected for terms of two years. Terms of Office shall commence at the start of the first Council meeting in July following the election of a successor at the Annual Meeting. There shall be no limit to the number of terms, successive or otherwise, and regardless of office, for which a member of the Church may serve on the Church Council.

#### E) Sharing of Office

Each office may be jointly held by two persons, though each office is still entitled to only one vote. Attendance by any of these person fills the quorum requirements for a meeting of the Council.

### **Section 7: Resignation**

Any officer may resign by submitting a resignation in writing to the Church Council. Acceptance of a resignation shall not be required to make it effective.

### **Section 8. Removal from Office**

An officer may be removed from office by a two-thirds vote of the members present at a duly-called meeting of the Church at which a quorum is present, and for which the proposed action shall have been included in the notice of the meeting. All interested parties shall be given an opportunity to be present and to be heard.

### **Section 9: Vacancies**

When a vacancy occurs in an elected office, the Church Council may appoint a person to fill the unexpired term (with his or her consent) or may call for an election at a special meeting of the Church.

### **Section 10: Meetings of the Council**

#### A) Meetings

The Council shall set the date, time, and location of its regular meetings. Once the congregation has been informed of the regular meeting schedule, no other notice of such meetings shall be required. All Council meeting are open to members and friends of the congregation.

#### B) Special Meetings

A special meeting of the Council may be called by the Moderator or at least four other officers and shall be held within seven days (7) days of being requested. Notice and purpose of any special meeting shall be given to the officers and the Church membership at no less than two (2) days prior to the meeting.

#### C) Quorum

A majority of the Council officers shall constitute a quorum for the transaction of business at any meeting. Any act of a simple majority of members present shall be the act of the Council, unless the act of a greater majority is required by law or these Bylaws. If less than a quorum is present, no business may be conducted, and the meeting may not be called to order.

## **Section 11: Compensation**

No officer, except the Pastor, shall be compensated by the Church, either for services as an officer or for any other services performed, unless compensation shall have been approved by the members of the Church, or included in a budget approved by the membership.

## **Section 12: Indemnification of Officers**

Any officer of Alki UCC, or any member, including officers and directors, of any team or committee, who is a party to an actual, pending action or suit when this person, acting in good faith, was within the scope of their duties on behalf of the Church, an agent of the Church, or serving at the request of the Church, shall be indemnified to the fullest extent to which it is empowered to do so by law and covered by its insurance.

# **ARTICLE VII: Ministry Teams and Committees of the Congregation**

## **Section 1: Overview**

**Alki UCC shall have Ministry Teams, Standing Committees, and ad hoc committees.** Ministry teams reflect the programs of the Church; these are Worship and Music, Worship Logistics, Caring Community, Stewardship, Outreach and Faith Formation. **Standing Committees** are special committees of the congregation created for specific administrative tasks; these are the Trust Fund, Personnel, Pastoral Relations, Building and Grounds, and Nominations. Ministry Teams and Standing Committee shall annually submit a report of their work to the congregation.

Ad hoc committees may be created by the Church Council or any member thereof with the approval for a specific purpose and dissolved upon completion of their objective.

Each Ministry Team and Standing Committee shall designate among its members a chair or two co-chairs.

## **Section 2. Nominations, election, and terms of office**

Members of each Ministry Team shall nominate their representative for the Council. They will submit those names to the Nominating Committee, which will present the list for election at the Annual Congregational Meeting.

Officer candidates will be chosen by the Nominating Committee and presented for election at the Annual Congregational Meeting.

The Standing Committee members shall be nominated by the Nominations Committee and appointed by the Church Council except for the Pastoral Relations Committee. The Council will announce these committee members at the Annual Congregational Meeting. The Council will

review these appointments every three years. Should a member of a Standing Committee resign or otherwise be unable to complete a term, the Nominating Committee will nominate a replacement and submit the name to the Church Council.

### **Section 3. Ministry Teams**

Ministry Teams carry out the mission programs of the Church. As such, everyone can participate in them, including full and associate members as well as attendees. However, the chair and the team representative to the Church Council shall be full or associate members of the Church.

#### **A) Worship and Music Team**

In coordination with the Pastor, the Worship and Music Team shall be responsible for the planning worship services and special seasons of the Christian calendar to enhance the spiritual life of the Church.

#### **B) Worship Logistics**

The Worship Logistics Team shall be responsible for providing the weekly worship team leader, arranging for greeters, preparing the elements of communion, and operating the sound system.

#### **C) Caring Community and Fellowship**

The Caring Community Team is called to care for and support people of the congregation and to provide for the fellowship of members in various activities.

#### **D) Outreach**

The Outreach Team shall be responsible for facilitating church involvement in community affairs, for arranging participation in these activities and for communications and publicity surrounding these activities.

#### **E) Faith Formation**

The Faith Formation Team, in cooperation with the Pastor, shall be responsible for planning and supporting the educational program of the Church for families and adults, such as church school, Bible and book studies, retreats and seminars.

## F) Stewardship

The Stewardship Team shall be responsible for planning and implementing the yearly pledging process which includes pledged volunteer services, as well as other fund-raising activities, and reporting the number of pledges and volunteer resources to the Church Council.

## **Section 4. Standing Committees**

The Standing Committees carry out the administrative functions of the Church which in turn supports the mission/ministry programs. As such, the members of these committees shall be members of the Church, either full or associate members except for Building and Grounds which also may have representation from organizations who use the building. Standing committees, with the exception of the Pastoral Relations, committee shall report to the Church Council two times a year or as needed.

### A) Trust Fund

As provided in Appendix A IV, Trustees, there will be a committee of three trustees appointed by the Council for staggered terms of three years each; trustee may serve multiple terms. They will administer the Alki UCC Permanent Trust Fund, established as a permanent endowment of the church under provisions of Appendix A to these bylaws. The Trust Fund Committee shall consist of members with experience and expertise in matters of finance and investment.

### B) Personnel

The Personnel Committee shall have five active members including the Pastor, Operations Manager, and three other church members. Among its responsibilities is the recommendation of personnel policies, job descriptions, all staff performance reviews including salary and benefit recommendations for the budget, hiring and termination of staff (other than the Pastor), monitoring contracted services, and staff morale and working relationships. Day-to-day supervision of staff shall be the function of the Pastor.

### C) Pastoral Relations

The Pastoral Relations Committee shall have three members to be selected by the Council in consultation with the Pastor. It shall foster a deeper connection between the Pastor and the congregation outside of and beyond the specific roles of policy and personnel. It offers a place to share expectations of each other, and to articulate a vision for the future of the Church. The committee shall also help the Church and Pastor to address conflict and disagreements within the Church and shall advocate for continuing education and just compensation for the Pastor and for his or her involvement in wider settings of the UCC and ecumenical settings.

#### D) Building and Grounds

Building and Grounds Committee shall be responsible for the maintenance, upkeep, security, and renewal of the church facilities, ground and physical assets, with a view toward current and long-term needs.

#### E) Nominating

The Nominating Committee shall present a slate of Officers and Ministry Team Representative candidates for the Church Council for the consideration of the congregation at the Annual Meeting. The committee will consist of at least three members; in conjunction with the Stewardship Team data collected with the Time and Talent Pledge, they will make a concerted effort to find candidates who are well-qualified with appropriate experience, expertise, energy, excitement and vision. Each candidate will be personally contacted and have the duties of the specific office explained. (See process for administrative committees in Article VII. Section 2.)

### **ARTICLE VIII. Contracts and Funds**

#### **Section 1. Fiscal Year**

The fiscal year of the Church shall be July 1<sup>st</sup> to June 30<sup>th</sup>.

#### **Section 2. Contracts**

The Church Council may authorize any officers and agents to enter into any contract or execute any instrument in the name of and on behalf of the Church.

#### **Section 3. Funds**

All the funds of the church shall be deposited in such banks or other depositories as the Treasurer may select, in consultation with the Church Council. The Council shall prescribe by resolution the officers and those appointed to make deposits and withdrawals of such funds and shall take such action as it deems appropriate to ensure segregation and integrity of any funds provided to the Church for specific purposes.

#### **Section 4. Gifts**

The Treasurer and the Church Council may accept on behalf of the Church contribution, gifts or bequests.



## **Section 5. Trust Fund**

The trust fund is called the Alki Permanent Trust Fund. It is managed by the Trust Fund Committee. Monies from earned income will be provided to Alki UCC to be utilized for the benefit of the Church as directed by the Church Council. (See Appendix A. Purpose.)

## **ARTICLE IX. Dissolution**

Upon the event of dissolution of the church and satisfaction of all indebtedness, the assets and all property and interest of which it shall then be possessed, including any devise, bequest, gift or grant contained in any will or other instrument, in trust or otherwise, made before or after such dissolution, shall be transferred to the Pacific Northwest Conference of the United Church of Christ or other non-profit organization, unless otherwise prohibited by the terms of the instrument of conveyance.

## **ARTICLE X. Amendments**

These Bylaws may be altered, amended, or repealed, and new Bylaws be adopted, by a two-thirds vote of the members present at a congregational meeting at which a quorum is present, provided notice is given in accordance with Article V. Section 3. Notice.

## **Appendix A to the Bylaws of Alki United Church of Christ**

### **Article A. I Purpose**

Alki United Church of Christ, herein after identified as Alki Church, hereby establishes a permanent endowment to be known as Alki Church Permanent Trust Fund, herein after identified as the Trust. All assets of the existing fund currently identified as the Alki Church Trust Fund will become the assets of the Alki Church Permanent Trust Fund under the terms of this appendix. The purpose of the fund will be to accept gifts from members and other interested parties, preserve, manage and invest those gifts for the sole benefit of Alki Church. All funds contributed will become part of the principal of the fund and will be retained and invested in perpetuity. All earnings of the fund will be provided to Alki Church to be utilized for the benefit of the church as directed by the Church Council of Alki Church consistent with the authority provided in the Bylaws. Disposition of the principal will only be in accordance with this appendix and the Bylaws of Alki Church.

## **Article A. II Definition**

Section 1. 'Alki Church shall mean the Alki United Church of Christ or any legal successor determined in accordance with these bylaws.

Section 2. 'Council' shall mean the Church Council of Alki Church as elected in accordance with these bylaws or the governing body of any legal successor organization.

Section 3. 'Property' shall mean any money, securities, stocks, bonds, other financial instruments, land, leases, royalties, insurance policies, other assets as well as the proceeds thereof.

Section 4. 'Gifts' shall mean any bequest, legacy, conveyance or transfer of property to the Trust.

Section 5. 'Donor' shall mean any person, group of persons, organization or entity providing a gift to the Trust.

Section 6. 'Earnings' shall mean interest, dividends, royalties or other income earned by the assets of the trust. Earnings will not include appreciation of market value or realized capital gains. For purposes of this appendix, the terms 'earnings' or 'income' shall have the same meaning.

**Section 7.** "Fiscal Year' shall be the September 1 of a year to August 31<sup>st</sup> of the following year.

## **Article A III. Disposition of Funds**

Section 1. Earnings. Within sixty days following the end of the fiscal year, the Trustees shall provide to the Church Council a financial statement showing the property held by the Trust, a record of transactions made, earnings and current value of all property held by the trust. Gains resulting from sale of property shall be added to the principal of the Trust. Unless otherwise directed by the Church Council, the Trustees shall deliver the earnings of the immediately completed fiscal year to the Church for use as directed by the Church Council. The Church Council has the option to direct the Trustees to retain the earnings and add such earnings to the principal of the Trust to be retained and invested in perpetuity as defined by this appendix.

Section 2. Principal. All property held in the Trust other than current earnings shall be considered principal. The principal shall be held in perpetuity, invested in accordance with criteria provided in Section 3 below. Withdrawal or distribution of the principal or any portion thereof from the Trust shall only be accomplished in the case of extreme financial need by the Alki Church. Extreme financial need shall be deemed to exist only by declaration that Alki Church shall be unable to exist as a body because of lack of funds from other sources. The decision to make such a declaration or to otherwise dissolve the Trust shall be made in accordance with Article V, Section 6 of these Bylaws.

Section 3. Investment Criteria. The following criteria shall govern the investment of funds. Additional guidelines may be established with the approval of the Board. These guidelines will be reviewed periodically at the request of any Trustee or Board member. Exceptions to the criteria or approved guidelines will be approved by the Church Council. These exceptions will be applicable only to a specific investment. The guidelines will be available to any church member requesting same.

1. The amount of investment in a single entity will not exceed \$10,000.00 or 10% of the principal of the Trust Fund, whichever is larger. Investment in a single industry will not exceed 25% of the principal of the Trust Fund. This limitation does not apply to investments in direct or guaranteed obligations of the United States Government. Speculative or high-risk investments are not considered appropriate for purchase by the Trust Fund. Examples are options, commodity futures, oil and gas drilling ventures, Venture capital stock (IPO's) and derivatives.
2. Publicly traded investments such as stocks and bonds will meet any of Standard and Poor's three highest rating applicable, at the time of purchase, to the investment being considered. Lower rated or unrated invested will be approved by the Church Council.
3. Real Estate or Partnership investments will not be purchased without approval of the Church Council.
4. No direct loans to individuals or organizations including Alki Church will be made.

Section 4. Direction of Donors. The Trustees may accept gifts from any donor to be held in trust for the purposes defined in Article 1. The Church Council may direct undesignated gifts to the Church in turn to the Trust at its discretion provided the donor concurs. Special purpose gifts are more appropriately assigned to one of the special purpose funds maintained by the Church. The Trustees, with concurrence of the Board may reject any gift offered to the Trust. The Trustees may establish separate accounts within in the Trust to assure allocation of earnings for Church purposes as specified by a donor.

Section 5. Annuity and Life Income Funds. The Trustees at their discretion may accept gifts intended to be invested in Annuities for the life benefit of the donor provided that the residual, after a time certain or upon the death of the donor, reverts to the Trust. The Trust shall not enter into life income agreements or annuity agreements where the Trust is guaranteeing payment. Any annuity contract entered by the trust shall have the signed concurrence of the donor and the approval of the Church Council. The Trustees may purchase Life Insurance using gifts for that purpose on the life of any donor in which Alki Church has an insurable interest and the proceeds of such policy are wholly or in some part payable to the Trust either at a time certain or upon the death of the insured.

#### **Article A. IV. Trustees**

Section 1. Appointment. There will be three trustees appointed by the Board for staggered terms of three years each. The Trustees will be responsible for managing the Trust property in accordance with this appendix. Trustees may succeed themselves and will serve their term of appointment until they either resign or are removed by the Church Council in accordance with the provisions of this Article A. VI. At least two of the three trustees shall be members in good standing of Alki Church. The Church Council may appoint a corporate trustee if it is considered in the best interest of the Trust. Any successor trustee shall have all the powers of a trustee as defined herein.

Section 2. Compensation. The Trustees shall not receive any compensation but may be reimbursed for expenses reasonably incurred with the approval of the Church Council. This reimbursement will be from the earnings of the Trust prior to

distribution to the Church or from other funds so allocated by the Board. No principal will be utilized for reimbursement to Trustees.

Section 3. Liability. No trustee shall be held liable for any losses which may be incurred upon investment of Trust funds except to the extent such losses are the result of fraud, bad faith or gross negligence on the part of the individual Trustee.

Section 4. Powers. The Trustees shall have the authority to buy and sell assets of the Trust consistent with criteria provided and guidelines agreed to by the Church Council and to accept gifts to the Trust on behalf of Alki Church.

- a) They shall determine what is principal and income in accordance with accepted accounting principles and the specific definitions provided in Article A II above.
- b) They may employ accountants, brokers, agents or attorneys in process of executing their responsibilities without incurring personal liability except as defined above. They shall use reasonable care in their selection and may rely on the advice of persons so employed.
- c) They have the power to retain property in the form it is received consistent with agreed to guidelines. They may invest or reinvest any part or all the Trust principal or income in any form of income producing property, whether real or personal and including savings deposits in banks, saving and loan associations, common trust funds, or mutual fund consistent with the guidelines agreed with the Church Council. The Trustees will request approval from the Church Council for exceptions to the criteria and guidelines for specific investments.
- d) They shall not make direct loans to individuals or organizations, including Alki Church.
- e) They will provide an accounting of Trust activities and earnings in accordance with Article A III section1.
- f) All actions by the trustees must be by majority vote of the trustees. Meetings of the trustees will be recorded in minutes which shall be provided to the Church Council President and made available to any Alki Church member on request.

Section 5. Resignation. A trustee may resign at any time by giving written notice to the Board at least 30 days before the effective date of the resignation. The Board shall appoint a successor trustee at least 30 days or as soon thereafter as is feasible. The resignation of a trustee and appointment of a successor trustee shall be recorded in the official minutes of Church Council activity.

Section 6. Removal. The Church Council, by two-thirds vote, may remove a trustee with or without cause. The removed trustee shall be given 30 days' notice and a successor trustee shall be appointed.

#### **Article A.V. Modification or Dissolution**

Section 1. Modification or Amendment. This appendix may be modified or amended in accordance with Article X( of these bylaws, except any modification or amendment which has the effect of dissolving this Trust, shall be in accordance with Article V, Section 6 of these bylaws. Any action which removes any or all the principal from the Trust shall be considered dissolution.

As approved by the Congregation of Alki United Church of Christ at the Annual meeting January 27, 2002 and so recorded in the minutes.

(Retyped, spell checked, grammar and name changes made by EAH 4-23-18.)

(Changed references to match bylaws approved by congregation on June 2, 2019. Made by LBP)